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Japan

Editorial Previews Aviation Talks With U.S.

OW1808125295 Tokyo TOKYO SHIMBUN in Japanese 12 Aug 95 Morning Edition p 4

[Editorial: "Airline Competitiveness Holds the Key"]

[FBIS Translated Text] Tokyo and Washington will hold talks on reviewing the Japan-U.S. Aviation Agreement beginning in September. They will initially discuss problems in the cargo field. If Japan only insists on correcting the inequality in the accord, it would be difficult to resolve problems pending between the two countries in the aviation field. Revamping the domestic aviation system is an urgent task for Japan.

It was 1952 when both Japan and the United States concluded the current Japan-U.S. Aviation Agreement. The competitiveness of American airlines at that time was predominant. It is safe to say that this predominance of American airlines led the two countries to sign the "unequal" pact that has continued to the present day.

The review of the bilateral aviation agreement will begin. The review is an issue pending between Japan and the United States, and we hope that the two nations will work vigorously on this. The two nations are said to have agreed to reach a conclusion in the cargo field within six month. We hope that the two nations will hold talks on the passenger field, too.

In the July negotiations on air cargo routes, both sides adopted a hard-line negotiating tactic to hold the other side down while hinting at sanctions. This hard-line negotiating tactic led to a deal. The aviation dispute might have deteriorated into an exchange of sanctions between Tokyo and Washington depending on the result of the negotiations. The exchange of sanctions is by no means desirable for bilateral relations. We regard it as principle that the two countries hold talks in a mutually acceptable manner to resolve bilateral issues. It is desirable that at the talks, the two countries discuss ways on an equal footing to resolve the bilateral issues.

Japan has hoped to "correct the inequality" in the bilateral aviation agreement, but it is not simple to correct it as said. The two countries interpret the accord differently and they have different policies: The differences are wide.

Japan thinks that many parts of the aviation agreement are unequal. It is said that the United States understands Japan's view. Japan and the United States are in disagreement on the so- called beyond rights. While the United States takes the exercise of the beyond rights for granted, Japan intends to approve the U.S. exercise of the beyond rights within the scope of not disrupting the aviation order.

While the United States is advocating an open sky (the liberalization of the sky), Japan is seeking to promote the expanded equilibrium while relaxing restrictions, although it upholds the liberalization. There are wide differences between Tokyo and Washington. It would be difficult for the two countries to bridge the differences between them unless the Japanese Government makes clear a direction for which its policy aims.

Some of the past demands from the United States were absurd. It is ridiculous that the United States has refused to give foreign airlines access to its domestic market while speaking of the "open sky." The "global liberalization of the sky" will be inevitable in the future. The Japanese Government should focus its aviation policy on the liberalization and scramble to revamp the current domestic aviation system in order for the theory of competition to work better than ever. The competitiveness of American airlines is still predominant in the cargo and passenger fields compared to that of Japanese airlines. For this gap to be bridged, Japanese airlines need to work harder to improve competitiveness by competing with each other at home. We believe that the improved competitiveness of Japanese airlines will make it possible for Tokyo and Washington to hold aviation talks on an equal footing.

UK POW's Call on Tokyo for Compensation Fund

OW1708153595 Tokyo KYODO in English 1512 GMT 17 Aug 95

[FBIS Transcribed Text] London, Aug. 17 KYODO — British former prisoners of war called on the Japanese Government Thursday [17 August] to set up a compensation fund and resolve once and for all the issue of compensation for POWs.

Speaking in the light of Japanese Prime Minister Tomiichi Murayama's address on Aug. 15, the 50th anniversary of Japan's surrender in World War II, secretary of the Japanese Labour Camps Survivors Association (JLCSA) Arthur Titherington said, "We put forward the suggestion of a settlement fund as a positive step forward."

"It is time to lay all our ghosts to rest and get on with the rest of our lives," he said.

The POWs note that critics of compensation have been concerned about the number of claimants that might come forward from other countries, in particular China.

But they say a compensation fund administered by people trusted by all sides could cater to all those who wished to make claims.

JLCSA lawyer Martyn Day has written directly to Murayama to explain the demand.

Day suggested the Japanese Government set up a settlement scheme whereby a sizable sum is put into a trust fund which is then open to victims to claim against.

"It might be that the Japanese companies with an involvement in the war might also pay monies into the fund," Day said in his letter.

"The POWs and internees still hope the question of compensation can be resolved without rancor," he concluded.

The JLCSA and the Association of British Civilian Internees Far East Region (ABCIFER), have welcomed Murayama's apology as "historic" and hope it may lay the groundwork for the resolution of the compensation issue.

In January 1995 both organizations brought a legal claim for compensation against the Japanese Government in the Tokyo District Court.

ABCIFER Chairman Keith Martin said, "it would appear that Mr. Murayama is a man with whom we can do business."

But he noted that every year more of the association's member die and that he wanted the majority to live to see an end to the issue.

If Japan refused to take up the idea, Martin said, "we will not let the matter drop until we have won in the courts."

Reflecting the more conciliatory spirit at present, both organizations have put aside earlier plans to encourage a boycott of Japanese goods in Britain.

Kono To Urge France To Cancel Nuclear Testing

OW1708113995 Tokyo KYODO in English
1121 GMT 17 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 17 KYODO — Foreign Minister Yohei Kono said Thursday [17 August] he will send a letter to French Foreign Minister Herve de Charette to urge withdrawal of the French plan to resume nuclear testing in the South Pacific.

Kono revealed his plan during a press conference at the ministry after protesting China's nuclear testing in a meeting with Chinese Ambassador to Japan Xu Dunxin.

The letter is expected to arrive in France on Friday, he said.

Kono said he will write to de Charette because he is not satisfied with French President Jacques Chirac's letter to Prime Minister Tomiichi Murayama explaining the position on the planned testing.

"I will express strong regret over France's unchanged intention to conduct nuclear testing and will urge it to make a brave decision by taking into account the international opinion about nuclear weapons," he said.

Kono's action comes amid criticism toward the Japanese Government's stance in dealing with China's nuclear testing and France's plans to resume it.

Despite Japan's repeated calls not to conduct the tests and its decision to cut aid, China went ahead with its second nuclear testing of the year earlier Thursday.

France also announced in June that it will conduct eight nuclear tests in the South Pacific starting September.

Murayama Deplores China's Nuclear Test

OW1808062995 Tokyo KYODO in English
0612 GMT 18 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 18 KYODO — Prime Minister Tomiichi Murayama on Friday [18 August] described China's nuclear weapons test conducted Thursday as "extremely regrettable."

In a statement, Murayama said, "in spite of international agreement on restricting nuclear testing, and on the occasion of the 50th year since the war and the atomic bombing, and at a time when not only Japan, but the international community, renews its wish for peace and nuclear disarmament, China's conducting of yet another test, following one in May, is extremely regrettable."

Murayama said he has directed Chief Cabinet Secretary Koken Nosaka to convey the Japanese Government's concern over the test to China as well as a request that China not conduct further tests.

Kono Indicates Further Cut in Aid to PRC

OW1708113195 Tokyo KYODO in English
1119 GMT 17 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 17 KYODO — Foreign Minister Yohei Kono on Thursday [17 August] lodged a protest over China's latest nuclear testing and suggested that Japan may further reduce grant-in-aid to the country.

Kono told a press conference that he filed Japan's protest by taking an unprecedented move of summoning Chinese Ambassador to Japan Xu Dunxin at the ministry.

"I expressed strong regret over the testing and strongly urged (China) not to repeat it," Kono said.

Chief Cabinet Secretary Koken Nosaka also released a statement earlier in the day expressing "extreme regret" over the testing, China's second this year.

Kono told the news conference that it is regrettable China conducted the test despite Japan's repeated high-level calls not to do so. Those calls included talks between Prime Minister Tomiichi Murayama and Chinese Premier Li Peng and foreign ministerial talks with Foreign Minister Qian Qichen in Brunei earlier this month.

China's action "betrays" the trust held by nonnuclear countries toward nuclear nations after the indefinite extension this year of the nuclear Nonproliferation Treaty (NPT), he said.

The testing also runs counter to the antinuclear weapon sentiment of the Japanese public as well as international efforts to achieve disarmament, he said.

Kono said Beijing's latest action will be taken into consideration when Japan decides on official development aid (ODA) to China. He was referring to ODA guidelines by which consideration is given to the military trends of recipient nations.

"The latest event will compel Japan to take a restrained attitude (on the aid)," Kono said, indicating that a further cut will be made, following one announced in May when China conducted an underground test.

But he declined to describe the specifics, such as the amount of aid Japan plans to cut.

The foreign minister said, however, that Japan does not plan to cut its official yen loans to China, since the two governments have already made political commitments on them.

Japan and China agreed last December on the new set of Japanese loans totaling 580 billion yen for the fiscal 1996-1998 period.

According to Foreign Ministry officials, Kono also referred to the 50th anniversary this month of the atomic bombings of Hiroshima and Nagasaki when describing the Japanese public's strong antinuclear sentiment.

The Chinese ambassador was quoted as repeating China's stance on nuclear tests, saying it is exercising restraint and will stop such actions when the comprehensive test ban treaty (CTBT) takes effect.

"Unfortunately, the Japanese Government does not understand the Chinese Government's position. We are aware of the opinions of the Japanese public and the government, but we hope Japan will understand the positions of the Chinese people and government," Xu was quoted as saying.

He also criticized Japan's plans to cut aid, saying China opposes moves to link political matters with economic aid and that it hopes Japan will adopt a "careful position."

Earlier in the day, the main opposition Shinshinto (New Frontier Party) urged the government to immediately and completely freeze Japan's ODA to China.

Shinshinto also called on all five major nuclear powers to hold an emergency summit meeting to stop further testing before countries sign a comprehensive nuclear test ban treaty.

The Social Democratic Party (SDP), led by Murayama, released a statement protesting the nuclear test.

SDP Secretary General Wataru Kubo said in the statement that China's deed "squarely challenges international public opinion" against nuclear testing.

The party rapped Beijing for conducting the test at a time when a comprehensive nuclear test ban treaty is likely to be signed in the near future. China may seek a way to carry out small tests even after the pact is concluded, the document said.

The SDP called on Japan, which came under the world's first nuclear attacks 50 years ago, to protest nuclear testing by China and France in an effort to eliminate all such testing in the world.

The Liberal Democratic Party (LDP) called for a reconsideration of Japan's aid to China in view of the nuclear testing.

LDP Deputy Secretary General Takashi Kosugi gave a party statement to Kono, who is also head of the LDP, saying, "we should think twice about economic assistance to China."

The LDP statement said the party gravely regrets and seriously protests China's test, which was conducted despite Japan's repeated protests and a movement to eliminate nuclear weapons worldwide.

It accused China of trampling on the sincere wishes of all people who hope to see such weapons eliminated.

It also urged the government to make a similar protest and take appropriate measures.

Hiroshima Mayor Takashi Hiraoka called the testing a "betrayal of humanity" and urged Tokyo to take protest action.

"Representing the citizens of atomic-bombed Hiroshima, I strongly and angrily protest the testing," Hiraoka said in a statement.

He sent a message to Xu, saying the testing amid calls for eradication of nuclear arms is a "challenge" to the international arena and an "outrageous action."

Nagasaki Mayor Iccho Ito and the chairman of the Nagasaki municipal assembly also sent a message to the Chinese ambassador, saying the move was an "outrage" that aroused "strong indignation" among Nagasaki citizens.

LDP Lawmakers Asian Agricultural Tour Planned

OW1708152295 Tokyo SANKEI SHIMBUN in Japanese 16 Aug 95 Morning Edition p 2

[FBIS Translated Text] As part of efforts to work out an "action guideline" for the liberalization of trade and investment to be discussed at the Osaka meeting of the Asia-Pacific Economic Cooperation (APEC) forum scheduled for November, a group of legislators affiliated with the ruling Liberal Democratic Party [LDP] and concerned with agricultural affairs will tour Asian nations beginning late August. They will exchange views with legislators of their visiting nations on the protection of agricultural products and the development of agriculture. From the position of developing Japanese agriculture amid the trends of trade liberalization, they are said to be hoping to focus the discussion on whether it is right or wrong to take exceptional measures to protect food, including rice. Their discussion has the potential of becoming the subject of controversy at the Osaka meeting of the APEC.

The group consists of members of the LDP Agriculture and Forestry Division and the LDP Special Committee on Agricultural, Forestry and Fisheries Products. The group will be divided to two teams. The first team, led by Koji Futada, chairman of the LDP Agriculture and Forestry Division, will tour South Korea, China, and the Philippines from 28 August to 1 September. The second team, led by Shin Sakurai, chairman of the LDP Special Committee on Agricultural, Forestry and Fisheries Products, will tour Malaysia, Indonesia and Thailand from 27 August to 1 September.

The Uruguay Round adopted a draft final agreement on the liberalization of agriculture in December 1993. The draft final agreement called on Japan to set a minimum import quantity of rice (the minimum access to Japanese rice market) in return for a six-year moratorium on tariffs. The Bogor Declaration, adopted at the Bogor meeting of APEC held in Indonesia in November 1994, called for liberalization of trade and investment in the region (by 2010 for industrial nations and by 2020 for developing nations). The Osaka meeting of APEC is expected to focus discussion on working out an "action guideline" that will set up implementation procedures for the Bogor Declaration.

As host nation for the Osaka meeting of APEC, Japan will play a leading role in shaping the "action guideline." With domestic public opinion negative about the liberalization of agriculture, Japan will be placed in a difficult position at the Osaka meeting.

Many Asian nations attach importance to their agriculture and primary industries and are concerned about the impact liberalization of agriculture will have on their agriculture. The group of LDP lawmakers is said to be wishing to "appeal for the importance of protecting and developing agriculture in Asian nations to prepare for potential global food crises and famines" (says a concerned official). The LDP group is also said to be intending to win an understanding by the Asian nations of the need to separate farm products from industrial products in the course of liberalizing trade. The LDP group plans to take those actions in anticipation of a discussion by APEC members at Osaka of allowing exceptional items and exceptional measures in the liberalization of trade and investment when they discuss specific ways to implement the Bogor Declaration.

'Scenario' Predicts Fall in Account Surplus

OW1808052295 Tokyo KYODO in English 0450 GMT 18 Aug 95

[FBIS Transcribed Text] TOKYO, Aug. 18 Kyodo — A "scenario" for rebuilding Japan's economy will forecast the current account surplus falling to about 1% of gross domestic product (GDP) within three years.

The Ministry of International Trade and Industry (MITI) scenario will specify that the surplus is to fall to the "1% level," at least 1.0% and less than 2.0%, by fiscal 1998, according to an outline seen by KYODO NEWS SERVICE.

But MITI officials are in a delicate dance over inserting specific figures, which as bureaucrats they are loath to do, while being pushed for hard numbers behind the scenes by MITI Minister Ryutaro Hashimoto, trying to strengthen his hand in a bid to become premier, government sources said.

After being reappointed in last week's cabinet reshuffle, Hashimoto announced the scenario would be drafted next month, but officials have said only that it will show where Japan's economy must head over the next one, three and five years.

Hashimoto said it will depict a vision for rebuilding the Japanese economy in the midterm since "everyone seems to be losing confidence in the future of Japan's economy."

The report will include figures for the surplus in the current account, which includes trade and services, as well as GDP, the value of goods and services produced in the country, MITI officials say. The surplus was 3.0%

of GDP in fiscal 1993, falling to 2.7% in fiscal 1994 ended in March.

The three coalition parties briefly included such a target in an April package of economy-boosting measures meant to curb the high yen, but the numbers were shot down by the Finance Ministry hours later when the government drafted its final version of the package. Officials acknowledge groping for ways to present the numbers tactfully to avoid opposition from other ministries and to allow Hashimoto to maintain his stance of opposing "numerical targets," as he did forcibly in auto trade talks with the United States.

One idea is to insert figures in an appendix, MITI officials said, noting that a June 1994 report by the Industrial Structure Council, an advisory panel to the MITI minister, appended forecasts for the current account surplus to fall to some 1.2-1.5 percent of the broader gross national product for fiscal 1993-2000 and 1.1-1.4 percent for fiscal 2001-2010.

Hashimoto wants numbers in the document to use as leverage in later economic policy offensives, especially if he can become prime minister, the government sources said.

He said Friday [18 August] he will challenge Foreign Minister Yohei Kono's reelection bid next month as president of the Liberal Democratic Party, the dominant party in the coalition. Hashimoto is widely thought to have his sights set on the premiership.

MITI officials would benefit if Hashimoto goes on to greater heights and has the muscle to implement MITI-spawned policies, but if the MITI bureaucrats back the wrong horse, their report will languish unused on the shelf as another premier spurns the document with Hashimoto's fingerprints on it, the sources said.

The paper, to be drafted with input from the Industrial Structure Council, will include specific plans for structural changes such as promoting new businesses to cope with global competition that is "hollowing out" major old-line Japanese industries, the outline shows.

The scenario for fiscal 1996, starting next April, centers on revising and extending laws, expiring next year, for helping private companies move into new business areas and for "foreign access zones" to promote imports and foreign direct investment.

The three-year plan is to focus on deregulation and efforts to curb Japan's trade surplus.

And the five-year vision aimed at 2000, according to the outline, will call for doubling Japan's research and development spending, front-loading more public works spending, providing new government help for venture businesses and bringing Japanese prices down closer in line with those overseas, all to promote steady economic growth.

Finance Ministry To Maintain Weak-Yen Policy

OW1808103995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Aug 95 Morning Edition p 5

[FBIS Translated Text] The Ministry of Finance [MOF] intends to maintain its policy of inducing a weak yen trend on foreign exchange markets. The yen value sharply dropped to a 99-yen-level against the dollar at one point on the Tokyo foreign exchange market 16 August. Nevertheless, a senior MOF official indicated the view that foreign exchange movements "are still in a reversal process from the weak dollar trend." The MOF has indicated a readiness to study a new yen-curbing package following measures to promote overseas investments and loans announced on 2 August. The MOF apparently intends to let the money market keep this weak yen trend in mind.

The recent series of monetary policies — the early July monetary relaxation and coordinated market intervention by Japan and the United States, the 2 August announcement of Japan's yen-curbing package, and the 15 August coordinated market intervention by Japan, the United States, and European countries — came as a surprise to money markets, substantially and effectively inducing the depreciation of the yen.

The MOF points out that even a 95-99 yen level "does not reflect economic fundamentals." The current trend of the weak-yen and high- stock prices has at last brought bright prospects to the market. However, economic indexes have still indicated a slump in production and the aggravated unemployment situation. The senior MOF official said: "It is necessary to make continued efforts to correct the appreciation of the yen to sustain the economy." Although the official did not mention a specific yen level, the MOF is apparently seeking for a 100-yen-level against the dollar for the time being.

The MOF's International Finance Bureau, which worked out the recent yen-curbing package, has reportedly "continued to hear opinions" from institutional investors and government-affiliated monetary institutes, (as stated by Bureau Chief Eisuke Sakakibara). The MOF seems to be considering a new deregulation package designed to promote capital exports to foreign countries and to increase dollar-buying demands. However, it has been silent about the timing for announcing the additional package as well as its contents. For this reason, some people concerned with the money market believe: "By showing off an intention to try to correct the appreciation of the yen, the ministry is trying to give money markets the impression that it intends to continue implementing monetary policies."

The economic pump-priming packages, which were worked out in April and June with the MOF playing a leading role, failed to surprise the money market because their contents were leaked before the announcement. Taking this into consideration, the MOF has dared to demonstrate a strong intention to correct the yen's appreciation amid the growing trend of the yen's depreciation, in an effort to sway the market from the timing of market intervention and an additional yen-curbing package.

Economic Prospects, Growth of Nation Discussed

952A0641A Kyoto VOICE in Japanese Jul 95 pp 62-75

["Discussion" by Heitaro Hasegawa, international economist, and Kimindo Kusakabe, Tama University professor; place and date not given]

[FBIS Translated Text] **Japan's Economy at 10-Percent Growth**

[Kusakabe] Today's Japan is the most interesting nation in the world with plenty of both cheerful and gloomy circumstances. For example, there has been a sudden deluge of books published criticizing the Ministry of Finance [MOF], but there are numerous finance ministries in the world which are far worse by comparison. Their companies and workers are also generally far inferior to those in Japan. That is the reason for the strong yen.

In economics, one person's loss becomes another person's gain, or sometimes a gain for both parties, and the circumstances vary, but the mass media takes a dim view as a whole. In addition, the bureaucrats constantly look for gloomy aspects to keep themselves occupied.

That is the reason for the abounding pessimism today. However, although one may look for the downside of Japan's economy, one finds busy construction of buildings and condos going on everywhere.

[Hasegawa] If we look in the residential areas, we find new construction booms everywhere.

[Kusakabe] The housing construction is really amazing.

[Hasegawa] In terms of the volume of home building, Japan far surpasses the United States.

[Kusakabe] It is said that 1.45 million homes will be built this year, which equals the United States, although Japan's population is only half of the U.S. population.

[Hasegawa] On a per capita basis, it is double. The current housing loan cost rate is unprecedentedly low. One can borrow from the Housing Loan Corporation at an interest rate of 3.8 percent which is less than half of what it used to be. It is an extremely low interest rate. Many people feel that this is the best time to rebuild their homes.

[Kusakabe] Around 1970, I wrote a book entitled *The Housing Industry*. I was scolded by MITI [Ministry of International Trade & Industry] that there is no industry called the housing industry in the ministry's classification list (laughter). In retrospect, the number of new homes built was linked neither to incomes, land prices, nor home values, but only to the housing loan interest rate.

[Hasegawa] Exactly. The figures really correspond.

[Kusakabe] No wonder homes are going up in large numbers today.

[Hasegawa] The area where I live is a typical residential area. According to my observation, most homes are being rebuilt 30 years after initial construction. As the result of on-the-spot inspection, I have concluded two reasons for this. First, a change in the family makeup. A generational change occurs every 30 years. Small children no longer exist in the family and only the adults—usually an elderly couple—remain. Consequently, the present floor space is no longer economical.

Secondly, the living standard has zoomed upward, resulting in a rise in energy consumption.

[Kusakabe] The advance and improvement in home appliances have been phenomenal.

[Hasegawa] For example, in a home 30 years ago, the electric power was 10 amperes. The efficiency of home appliances has improved and is accompanied by mass use. A good example is the air conditioner. An average home today is equipped with about five air conditioners. Consequently, at least 100 amperes of electric power is needed to use all the air conditioners simultaneously.

[Kusakabe] Such cheerful aspects abound in the consumer's life today. It proves that the advantages of the strong yen are being realized. It is deplorable that, compared with the steady 4-5 percent growth in the U.S. economy, Japan's growth rate is zero. However, the United States measures in terms of the dollar, while we measure in terms of the yen. It would be nice if we both used the same medium. If we both used the dollar, Japan would show a steady growth rate of 10 percent.

[Hasegawa] A calculation of the trade surplus in yen terms indicates a moderate annual decrease as the yen rises higher. However, when calculated in dollars, there is an annual growth at a terrific pace.

Another point is that, in terms of the production volume, there is virtually no decline. For example, in the case of steel, there is a rise in production. It was said that 90 million tons was doubtful, but production returned to 100 million tons within a short time.

[Kusakabe] Overseas production must undoubtedly be taken into consideration concerning autos. For example, Japan has a 23-percent share of the autos sold in the United States. However, when we compare the exports from Japan and local production in the United States, the local production doubles the volume of autos exported by Japan. Therefore, it is necessary to consider to some extent how they are calculated.

[Kusakabe] It is thus possible to write a book stating that Japan's economy is currently on an upswing. The sad story amid such circumstances is that, because this is an unprecedented turning point, those who are unable to make changes are suffering terribly.

[Hasegawa] At the same time, there are people who will be unable to adjust to the changes.

Those Who Rely on the Bureaucracy Cannot Grow

[Hasegawa] If you ask the top managers in the export industries who complain about the strong yen, how they use foreign exchange currencies to cope with the strong yen, not a single manager will reply that the so-called 'derivatives' or 'hedging' are being used, because they have no perception regarding speculation.

[Kusakabe] If you ask the reason why they do not, they say that they lack personnel with expertise. If this is true, they should hire Swiss experts, but they absolutely lack such imagination.

[Hasegawa] They cannot understand the idea of hiring Americans. They merely state that the company's accounting department does not have any experts. That is only to be expected because new graduates are hired and rise to the level of accounting executives by serving 10, 20, or 30 years.

[Kusakabe] That is why they are all old-timers.

[Hasegawa] They are not very useful. They should all be fired and be replaced by highly competent people. Any number of skilled people will come if compensation is commensurate with successful performance. They claim that such a system would disrupt the company's personnel structure, so it is hopeless.

[Kusakabe] They regard personnel as the most important segment of the company.

[Hasegawa] Their thinking is that a loss in profits cannot be helped and that disrupting the personnel structure is a bigger drawback from a long-range standpoint.

[Kusakabe] The reason is that they themselves stand at the peak of such family-style management.

[Hasegawa] Also, they have come up through the ranks in such family-style management. They are fearful about destroying their own base. They therefore state that they dare not sell all products on a yen base, for example.

[Kusakabe] They should also buy Iranian oil with yen.

[Hasegawa] Of course. The smaller companies would export on a yen base if it were suggested to them. For example, the Murata Seisakusho in Kyoto sells on a yen base. Its president's thinking is typical of the small and medium companies.

[Kusakabe] In that sense, the large corporations are negative, while the smaller companes are positive.

[Hasegawa] That is really true. The smaller companies are much more aggressive. For example, there are numerous small and medium companies in the vicinity of Haneda and Kamata in Ota Ward. None of the 'old-man' bosses or managers ever complain about being "depressed and up against a wall because of the strong yen."

[Kusakabe] They continue to run their businesses without a hitch.

[Hasegawa] They not only continue to run them, but they behave quite nonchalantly.

[Kusakabe] The industries that are internationally competitive in Japan today are either those under MITI's jurisdiction or completely autonomous industries. The others have all lost their competitiveness.

[Hasegawa] Those under MITI's jurisdiction have all achieved growth because MITI has relinquished its administrative authority as much as possible. There are also numerous types of industries which are not under the jurisdiction of any agency except the MITI. For example, the 'juku' [cram schools] are under MITI's helm and not under the Ministry of Education.

[Kusakabe] The 'sarakin' [consumer loan companies] have come under MITI because the MOF abandoned them.

[Hasegawa] The 'nonbanks' are all under MITI's wing. The MOF abandoned them saying that that they were too weird to handle. MITI cannot take care of them because of the shortage of officials in charge, who are fewer by far than the number of nonbanks. Consequently, the nonbanks are let out to pasture.

It is also true concerning the 'sarakin.' If one were to ask a 'sarakin' operator whether "MITI has sent an inspector," he would retort: "Is there such a thing?" "Well then, are you submitting some kind of report document?" "No, the association or somebody is probably doing that (laughter)." They are extremely nonchalant about it. It is such operations which are showing growth.

[Kusakabe] The reason why businesses under government jurisdiction do not show growth is that, although an enterpreneur may hit upon an idea that would benefit society, the people and the company, the authorities must first be consulted.

[Hasegawa] When they are, then all the secrets will be leaked.

[Kusakabe] The bureaucrats are incapable of judging the pros and cons, so they ask a rival company (laughter).

[Hasegawa] The rival company looks at the proposal and realizes: "Aha, there is such an idea!"

[Kusakabe] If the rival company thinks it is a brilliant idea, it first opposes it to gain time.

[Hasegawa] It fortifies its own position and when it feels it has "caught up," it replies to the authorities: "We have given it careful thought, and feel that it is worth implementing." The official in charge then feels reassured and issues a permit.

[Kusakabe] Competition thus begins, but the originator of the idea is not rewarded for the effort.

[Kusakabe] There is no starter profit. In the United States on the other hand, the idea is first implemented. If it does not benefit society and the people, the responsibility can be resolved in the courts.

[Hasegawa] In other words, in Japan's case, the perception is that whatever is stipulated by law is permissible. There is a tremendous gap between the two perceptions. It is particularly true concerning venture business.

[Kusakabe] It is true not only in the United States but the entire world.

[Hasegawa] In all the nations except Japan.

No Alternative Except Internationalization for Survival

[Kusakabe] Such Japanese-style perceptions must be changed. In the first place, what does a turning point mean? First, according to dollar-based calculation, Japan has become the wealthiest nation in terms of its per capita GNP. In the case of the British, Americans, and French, they have respectively created a world-level way of life. This is epitomized by French culture or U.S. culture.

However, the only traces of a way of life created by the Japanese are seen thus far in 'karaoka' [a Japanese singalong] and family computer games. Much, much more must be done.

It is our turn to export leisure itself as an industry, but the large corporations lack the personnel talent capable of handling it. The young managers of the smaller companies are qualified, but they are not appreciated in Japan where the level of cultural awareness is low. Instead, taxes are levied on the smaller companies, and hundreds of art museums are built which attract few visitors.

[Hasegawa] Moreover, they are sold only fake paintings at exorbitant prices. What do they stand to gain by such inane behavior?

[Kusakabe] Japan has become wealthy to no avail.

[Hasegawa] Not only to no avail, but also the meaning of becoming wealthy has been misconstrued. The Japanese are currently buying up impressionist paintings conceived through French culture at high prices.

[Kusakabe] In other words, Japan faces a formidable task of creating the world's highest standard of living. There is no way the Japanese can earn higher wages than the Americans by doing nothing and merely imitating the Americans, so they first make a 20-percent down payment.

Also, Japan has become the world's leading creditor nation, but it has been utterly incapable of protecting its credits. By leaving loans to foreign nations and investments unattended, it will face extortion, blackmail, and confiscation. It is time for the companies and politicians to protect our assets rather than making money, and every Japanese must do his part. Such a change is yet to be seen.

Moreover, they bring their unsolved problems to the government and blame politics, demanding administrative reform. In such cases, discussions between colleagues in the private sector always result in amicable results, so it is wrong to blame the parties who are not present. This has been a practice for 20 years, and it must be halted. We should not ask what politics can do for us, but rather ask politics to do nothing. I believe this is the reason why Yukio Aoshima and Knock Yokoyama were elected governors (of Tokyo and Osaka respectively).

[Hasegawa] Conversely, as long as we talk about the continuity of politics, it is a rejection of reform. Unless we deny the continuity of politics, reform will not be possible.

[Kusakabe] The annual expenditures for Tokyo Prefecture amount to seven trillion yen. However, tax revenue have dropped sharply. Even today, there is a deficit of about 300 billion yen which could reportedly rise to 600 billion yen. Therefore, despite a loss of some 100 billion yen by suspending the World City Expo, it is perhaps better to use it as a shock treatment to cut off excessive fat. It is better to disrupt the continuity of administration and to eliminate surplus fat.

[Hasegawa] Another point is that, if we are to recover the sense of trust that politicians should uphold their public commitments regardless of the costs, the only way is to deny the continuity of administration.

Furthermore, we must abandon the notion of dependence on politics or on administration. In plain terms, the managers and those who work in the economic circles must all become self-reliant. They must stop relying on others. If they suffer from the strong yen, they must fund a way to free themselves. As long as they look for administrative aid, it is impossible to discover their own unique direction because administration is provided universally to everyone.

Administration provides equal opportunity to 130 million Japanese. Therefore, if one hopes to advance a step forward, it will be too late if one relies on administration. To begin with, petitioning the government for assistance requires a great amount of energy and time.

In fact, those who do not depend on administration have all achieved growth. In the past, the Tsubame-Sanjo district was simply an export production center of Western-style tableware, but today its exports have dropped to less than 20 percent. More than 80 percent is production of other products.

Japan is not an 'ordinary nation.' Since the war, its consistent hard work has resulted in creating an unusual nation. The fact that it must now be transformed into an ordinary nation means a tremendous change.

[Kusakabe] That is, if it is to become internationalized.

[Hasegawa] It is inevitable. There is no choice except to become internationalized in order to survive, regardless of the type of industry or scale.

[Kusakabe] After all, Japan is a difficult place to do business. We live in an era where people go to the easiest places in the world to do business. It is necessary to reconsider in depth the meaning of what you have pointed out as the establishment of a global unitary market.

What Is a Global Unitary Market?

[Kusakabe] According to economic principles, it is a sin against the people to stock up excessive management resources. Failing companies should dispose of their personnel resources, land, money, and technology and offer them for an optimum rearrangement.

[Hasegawa] They should restructure. Also, any company that does challenge such efforts will become bankrupt regardless of their present large scale. This is apparent when we consider Japan's postwar economy. What area stood out after the war? It was the coal industry. Do any coal companies exist today? Next came textiles. Look at textiles today. Do any textile companies remain? Changes thus take place swiftly, and there can be no exception.

[Kusakabe] The most exasperating aspects are fishing rights, water rights, and farmland protection. When high-tech specialists work on the world's most advanced inventions and research and become completely exhausted, they ride on yachts to relieve their stress and are criticized for disrupting the fishing industry. If they wish to relax by riding in hot-air balloons, they are scolded for crushing the eggplants in the fields.

We feel that water rights and rice paddies should be bought and sold freely, and that farmers should go abroad to farm.

Why do they farm in Japan when they could cultivate ten times more by going to Texas or Australia? The point is that the land in Japan should be used by those who contribute most to Japan.

[Hasegawa] It is also a way to internationalization in order to exist within the global unitary market. In economic circles, the managers are forced to retire in the form of bankruptcy. The workers are forced to retire from the economic world in the form of unemployment. This really cannot be helped. If one's unemployemnt insurance runs out, one must eat by receiving livelihood protection. If one refuses to eat by such protection, there is no option except departure from Japan.

[Kusakabe] There are already some farmers who have gone to Vietnam and Thailand where they are cultivating rice. They are tenant farmers. They say that it is no longer practical to farm in Japan.

[Hasegawa] There are also some who are farming in California. It is also true with the 'sake' brewers. It is no longer profitable to brew 'sake' in Japan, so they buy wineries in California and produce a great deal of 'sake' there.

[Kusakabe] Those who marry Filipina women go to the Philippines.

[Hasegawa] There are any number of ways. For example, dried bonito is no longer produced in Japan. It is produced entirely in the Philippines. They go to the Philippines and make dried bonito there. The only difference between the hard dried bonito made in the Philippines and formerly made in Japan, is the outward appearance. The finish is not neat there. However, it is no problem because people no longer shave the hard dried bonito by hand in the home today. It is shaved by machine and sold in vacuum packs. Therefore, regardless of the messy appearance, it does not matter as long as the content does not change. The bonito shavings are all imported into Japan.

[Kusakabe] We have been talking about Japan's adjusting to foreign countries—that is, internationalization. There is also the flip side of foreign nations' adjusting to Japan—that is, Japanization. If this goes well, it would be extremely convenient for us.

[Hasegawa] Cases where foreign nations learn Japanese rules intact are limited to differences in levels of technology. Unless the Japanese level is more advanced, it would be a waste to adapt to Japanese rules.

[Kusakabe] In New Zealand, when they catch sea bream, they immediately stick a nail into the back of the fish head. It is called 'nejime.' It is a technique that was devised by the Japanese fishing industry, and the fish tastes better if it is killed immediately. All New Zealand fishermen now use this technique. The reason is that the fish does taste better and the Japanese 'shosha' [general trading companies] will not buy fish which is not treated this way.

[Hasegawa] Recently, people in Australia, New Zealand, and the United States have begun to eat 'sashimi.' When they first tasted sashimi, they discovered that it was quite delectable. In the past, they were prejudiced against sashimi. In New York today, sashimi can be found everywhere. There has been a tremendous rise in consumption.

[Kusakabe] They have begun to eat sashimi in China also.

[Hasegawa] China's case is also interesting. They have their own seafood cuisine which originated in Fujian Province, and half of Fujian seafood cuisine reportedly consists of sashimi. They have found that fish eaten raw tastes better than cooked fish. The fact is that all of their sashimi comes from Japan via Taiwan.

[Kusakabe] The large restaurant signs in Taiwan are divided into two types: 'Japan-style restaurants' and 'Hong Kong-style restaurants.' The two types of restaurants invariably carry sashimi on the menu today.

[Hasegawa] Particularly the Japan-style restaurants have increased remarkably and they have moved into Fujian across the strait. Once they move into Fujian, they continue to advance into Hong Kong. The cooks who learned to prepare seafood cuisine in Fujian move to Hong Kong where the trend expands rapidly.

[Kusakabe] That is true. The attractive traits of Japan which can be accepted universally are expanding widely. The problem is that there are still many people in Japan who do not understand this.

1996 a Year of Major Restructuring

[Kusakabe] Japan's present economy which faces changes on a case-by-case basis is surprisingly strong. Therefore, in order to improve in the future, the government must drop its do-nothing attitude and taxation, and must aggressively try to become a smaller government. The government must also reduce its personnel force, as must the major corporations. A shakeup of personnel is initially unfortunate, but lower wage levels will create new employment opportunities and new industries.

[Hasegawa] Another point is that, even if wages drop lower, there is no longer any fear of one's livelihood being fundamentally disrupted. For example, this is very clear when one compares Japan's standard of livelihood protection with that of the U.S.

[Kusakabe] They are completely different. In the United States, they merely distribute coupons called 'food stamps.'

[Hasegawa] You are right. They only hand out food coupons. They do not take care of the rent. In that sense, people are at a bare subsistence level in the United States. In Japan's case, the people can at least have a decent living.

Another point I wish to make is that it is 'face' which becomes the major barrier when confronted with such a drastic change of one's livelihood. If one forgets about 'face,' one will make out somehow. Conversely, unless one forgets about 'face,' one cannot fully cope with the new changes in the environment.

[Kusakabe] The goal is to create a second Japan and to make a second start in life.

[Hasegawa] It is nothing to be ashamed of. For example, if a former division chief of a steel company moves on to an unknown small firm and is assured of an opportunity to fully display his skills, it is probably very fortunate for him. It is probably better than remaining as a division director in a sedentary job merely rubber-stamping papers all day.

[Kusakabe] The trouble is that such people claim that they want to utilize their past experience.

[Hasegawa] They should make a new start by forgetting their past. Conventional wisdom is a sum of past experiences and, if the past experiences are not useful for the future, such conventional wisdom should be abandoned. The real test lies in whether or not one can make the transition.

Such a decision is demanded of the managers and of the people in general.

[Kusakabe] Fortunately, such people will soon increase in large numbers and the problem of 'face' will be solved, because one is not alone.

[Hasegawa] That is right. Even in the service industries, 1996 is the year of a showdown concerning perseverance. It has been moved up by the direct shock of the Great Hanshin Earthquake.

[Kusakabe] You mean the major supermarket case.

[Hasegawa] Of course it was not the only victim. There were many others. They can no longer hold on. People are losing employment every day.

[Kusakabe] The managers want to lay people off, but they wait because they fear that they could be the first to go. For them, the natural disaster was a propitious happening.

[Hasegawa] The natural disaster offered them the excuse that they could not be blamed for the situation.

[Kusakabe] They can now wait for the fads to pick up momentum again.

[Hasegawa] They will pick up soon. I believe that, in that sense, the year 1997 will be a noteworthy period of restructuring.

[Kusakabe] I really think so. The reason is that the book "Jinji Kakai" [Personnel System Restructuring] (1994, PHP Research Institute) has sold well (laughter).

[Hasegawa] I think it was to be expected. Personnel overhaul is the national direction.

One acquaintance of mine is well known for operating a chain of restaurants and for his wide range of businesses. He too says that the present situation is untenable and that 20 percent must be laid off next year. He points out that, if the 20-percent layoff is to be averted, the entire personnel must support the 20 percent. It means that wages must be cut by 20 percent and that it must be one choice or the other, because time will run out this year.

[Kusakabe] The company presidents of the Keidanren [Japan Federation of Economic Organizations] and the Doyukai [Japan Committee for Economic Development] are saying the same thing—that this year is the deadline and that someone should start the process early. When they are asked: "Then why are you hiring so many people? It is probably a misjudgment on your part," they reply: "You are right. That is why we are trying hard to bear with it."

I believe that the employees are also to blame. In former days when people were hired en masse, it was expected that each employee would work to earn his take and that all the employees together would enable the company to grow. Today, they are all hanging on. The common approach of the hangers-on is that, "having served for 10 years after graduating from X University, I deserve to be paid X amount of yen according to the current market." It is no time to talk about the current market (laughter).

[Hasegawa] Achievement is unrelated to the current market. They also consider government employment as a part of the market. There is no market concerning salary or government employment. Such thinking itself of everything in market terms is a bureaucratic perception.

[Kusakabe] It makes one wonder why such people are hired, and why they have been trained in such a way.

[Hasegawa] In that sense, today's managers bear an extremely heavy responsibility.

[Kusakabe] The personnel division directors are the most bureaucratic.

[Hasegawa] It is true in every company, but the director of the personnel division always considers himself more important than the director of the business division or the manufacturing division. He thinks of himself as above those on the first line of production. We must begin with the restructuring of the personnel division.

Japan will be able to transform itself after passing through a mass unemployment phase in 1996.

[Kusakabe] It will become trmendously strong. In other words, because it is maintaining a 10-percent growth rate even today in terms of the dollar, Japan will achieve awesome growth when it recovers (from unemployment).

[Hasegawa] It will become an awesome nation—an amazing nation.

Exporters Pleased With Rising Value of Dollar

OW1708132995 Tokyo YOMIURI SHIMBUN in Japanese 16 Aug 95 Morning Edition p 7

[FBIS Translated Text] All export-oriented firms, including those connected with the auto and electronics industries, hail the trend of the dollar's exchange rate advancing to the 96-yen level on Western foreign exchange markets on 15 August, maintaining that "such a trend will have a desirable impact on business earnings," (as stated by an NEC executive).

The auto industry has suffered from sluggish sales at home because of the fall in the price of imported cars, which was caused in turn by the yen's drastic appreciation. Business circles are permeated with a sense of tragic grimness. For example, Isamu Kawai, president of Fuji Heavy Industries, claims "there is a limit to what business can do if the dollar continues to be exchanged at the 80 yen level." However, automakers have set their own exchange rate at a higher level for this fiscal year, with Toyota Motor Corporation and Nissan Motor Company setting the rate at one dollar to 90 yen, and Mazda Motor Corporation, which is undergoing restructuring, at 85 yen. Therefore, if the exchange rate should continue to stay at the current level, earnings will increase in the range of tens of billions of yen per automaker among those with greater earnings. In this connection, the auto industrial circles have a growing hope for the trend of the yen's depreciation to continue.

Moreover, the trend of the yen's depreciation will impose a very desirable impact on the electronics industrial circles, which tends to be easily affected by changes in exchange rates. For example, Sony's earnings will increase by approximately 5 billion yen each time the dollar appreciates by one yen. However, a cautious view on the current exchange rate has been noted in those circles. For example, a senior executive of a major automaker has stated: "It is questionable as to whether the current trend of the yen's depreciation will continue. The market will probably enter a phase of repeated fluctuations." Furthermore, it is true that the yen's depreciation will be of use to export-oriented firms in achieving short-term business recovery. On the other hand, however, some businessmen have voiced concerns over a possible deterioration in import-oriented business. The dominant speculation among business executives seems to indicate their intention to watch exchange rate moves with caution.

MOF To Set Up Second Deposit Insurance Body

OW1708113595 Tokyo ASAHI SHIMBUN in Japanese 11 Aug 95 Morning Edition p 1

[FBIS Translated Text] The Ministry of Finance [MOF] has firmed up plans to establish a special fund as a "second deposit insurance institution" mandated to raise fresh funds from financial institutions to assist others that become insolvent.

"Existing deposit insurance institutions," operated as special corporations, have already provided financial bailout assistance to insolvent financial organizations with funds raised from banks and other institutions, but the assistance is limited in amount. When insolvent financial institutions are burdened by a huge sum of irrecoverable loans, the deposit insurance organizations are unable to provide full bailout aid. The MOF plans to submit to the Diet during its regular session next spring a new bill to establish a second deposit insurance institution. The ministry plans to put the new insurance body into operation within the next year.

The existing deposit insurance institutions have collected 0.012 percent of deposit balance as insurance premiums from banks, credit unions, credit cooperatives, and labor banks. The MOF plans to set another insurance premium ceiling for the second deposit insurance institution, to enable it to collect funds regularly from insured banking organs.

The funds raised in that way will be used as financial resources to extend soft loans and grants to banks that rescue insolvent financial institutions.

The existing deposit insurance institutions are banned from making any investments. But the MOF is studying the possibility of lifting the ban for the second deposit insurance institution, anticipating that a bank will be established with investment from the second deposit insurance institution to take over deposits of insolvent financial institutions.

The MOF plans to keep the second deposit insurance institution operating for about five years. The MOF has announced a plan to pave the way for putting the "payoff" into effect. Under the payoff, the deposit insurance institutions pay depositors insurance money on behalf of the insolvent financial institutions, with a ceiling of 10 million yen per depositor. The MOF sees the second deposit insurance institution as a temporary step before the payoff is put into effect.

The MOF has decided to establish the second deposit insurance institution in the course of dealing with two insolvent credit unions — the Tokyo Kyowa Credit Union and the Anzen Credit Union. The existing deposit insurance institutions are able to pay only 40 billion yen in grants to the two bankrupt credit unions, which are burdened with 110 billion yen in irrecoverable bad loans, because of the established ceiling for bailout payments by the deposit insurance institutions.

Ministry, Banks Agree on Cosmo's Bad Loans

OW1808081095 Tokyo KYODO in English 0736 GMT 18 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 18 KYODO — The Finance Ministry and six creditor banks of bankrupt

Cosmo Credit Corp. reached an agreement Friday [18 August] on the disposal of nonperforming loans left by the Tokyo credit union, ministry and banking officials said.

The six banks, including Sanwa Bank, the largest creditor bank to Cosmo, have agreed in principle to accept a compromise scheme the ministry worked out jointly the Bank of Japan and the Tokyo Metropolitan Government, a supervisory body for credit unions in Tokyo.

The scheme calls for the six banks to foregive 60 percent or about 55 billion of their claims on Cosmo, instead of the earlier requested 100 percent, the officials said.

Meanwhile, the six banks are asked to extend the equivalent of 40 percent of their claims in five-year low-interest loans to an entity that will carry on Cosmo's operations.

The entity will lend the proceed from the loans to customers at an annual interest rates of several percents and try to turn out profits worth 40 percent of the creditors' claims.

Profits to be made in the investment will finance the repayments of the loan principal to the six banks after five years, the officials said.

The profits will be also used to write off part of the credit union's irrecoverable loans, which are estimated at 240 billion yen. Cosmo's total bad loans are projected at 350 billion yen.

Other creditor banks will be also asked to give up 60 percent of their claims in line with the original scheme, the officials said.

The officials said the entity is likely to be Tokyo Kyodou Bank, which was set up by the central bank and private financial institutions last year to liquidate loans left by two other bankrupt Tokyo credit unions — Tokyo Kyowa Credit Association and Anzen Credit Bank.

The six creditor banks, including Sakura Bank, Tokai Bank, Fuji Bank and Sanwa Bank, were originally requested to relinquish all claims on Cosmo Credit because they have equity stakes in SS Pharmaceutical Co., which is partly owned by Cosmo and is headed by Sampachi Taido, a former president of the failed credit union.

The creditor banks had strongly opposed the idea, saying that just because they are close to a firm related with Cosmo is not a reason for them to bear the financial burden. They also say they have massive bad loans of their own following the burst of the "bubble" economy.

The scheme also calls for the use of 20 billion yen in special loans from the Bank of Japan and 110 billion yen in grants under the deposit insurance system, banking sources said.

It also calls for creation of a debt-buying organ to take over recoverable loans left by Cosmo, the sources said.

The Tokyo Metropolitan Government plans to provide about 20 billion yen to such an entity while the National Federation of Credit Cooperatives will offer around 10 billion yen in loans with low interest rates, the sources said.

Taido, meanwhile, said he will put up some 450 million yen to help finance part of 240 billion yen needed to write off the irrecoverable loans.

The Finance Ministry will finalize the rescue plan early next week, ministry officials said.

Cosmo, the largest credit union in Tokyo, was ordered to close in early August as depositors rushed to withdraw their money in reaction to a newspaper report that the credit union was in crisis.

ODA Programs To Put Emphasis on 'Software'

OW1808101395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Aug 95 Morning Edition p 5

[FBIS Translated Text] In aiding developing countries, the government will now put more emphasis on the "software area" which will include know-how on drawing up national land development plans. The Overseas Economic Cooperation Fund [OECF], which handles yen-based loans, will provide its ideas on medium to long term economic development plans for developing countries. This move reflects the fact that now with the economy of East Asian countries growing, the kinds of assistance these countries need are no longer those of emergency nature to fight poverty but those for improving their infrastructures and to promote new industries. The government wants to make expanded support in the software area a key to invigorating its official development assistance (ODA) programs.

As part of efforts to increase assistance to the developing countries in the software area, the OECF's Institute for Assistance in Economic Development has prepared a model draft for "national development plans for developing countries" based on Japan's national development plan. The institute intends to present the model draft to several aid-recipient countries in August.

In many developing countries, national land development plans have been poorly drawn up, causing infrastructure improvement programs to be ill-coordinated, rendering development efforts inefficient, resulting in widening economic gaps among areas of their countries.

The institute asserts that to deal with such problem, nations need to draw up overall plans for a 10-year period. Particularly, for Indonesia, the institute thinks such an overall plan is needed immediately and it has drawn up a draft plan for overall development — envisaging forming nuclear cities by dividing up the country into several economic blocs — in cooperation with the Indonesian Government and economic organizations.

The OECF will not only provide national development plans for developing countries but will also present ways of optimizing electric power projects in these countries. In the 1994 yen-based loans, plans to provide assistance in electric power and city gas projects accounted for about one-third of the total. As such, the organization thinks there is a great need to increase assistance in know-how in this area. It intends to point out the problems existing in the electric power industry of six countries including China and Thailand, and the ways to minimize transmission power losses separately for each of these countries. Optimum rates of power charges will be also presented.

The reason for attaching emphasis to know-how in assisting the developing countries stems for the fact that the East Asian countries have come to be called the "growth center of the world," and that the assistance needed for them is now in the area national infrastructure improvements. In the case of 1994 yen-based loans, those for projects to improve infrastructures accounted for more than 90 percent of the total loans; there were less nonproject loans to address emergency poverty problems than even before.

Moreover, in India, there has been an incident of a yen-loan program being suspended following a controversy over the removal of residents in connection with a project to construct a hydroelectric power dam. Japan is increasingly required to help the developing countries formulate their overall plans rather than simply to provide funds.

Leakage From Radioactive Waste Cubes Reported

OW1708145395 Tokyo MAINICHI SHIMBUN in Japanese 17 Aug 95 Morning Edition p 3

[FBIS Translated Text] It was learned on 16 August that radioactivity exceeding permissible levels has been detected from a block of high-level radioactive waste that have been solidified in cubes of glass and stored at a nuclear fuel cycling plant in Rokkashomura, Aomori Prefecture.

According to the Japan Nuclear Fuel Co. [Nihon Gennnen] (with its head office in Aomori city), the company undertaking the project, an unusual level of radioactivity was detected from one of the 28 blocks of solidified nuclear waste which were returned to Japan from France last April. Specific figures regarding the recorded level of radioactivity have not been released to the public. However, since only cesium and ruthenium, both radioactive elements, accounted for the high levels of radioactivity detected, the company has asserted that "this was due to radioactive elements which adhered to the container during the work process, rather than leakage from the inside."

Sakigake Head Interviewed on Forming New Party

OW1708141195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Aug 95 Morning Edition p 2

[Interview with Masayoshi Takemura, representative of the New Party Sakigake, by a NIHON KEIZAI SHIMBUN reporter; place and date not given: first paragraph is NIHON KEIZAI SHIMBUN introduction]

[FBIS Translated Text] The ruling Social Democratic Party of Japan [SDPJ] and the ruling New Party Sakigake [Harbinger] have abruptly begun a lively discussion of ways to form a tripolar party to rival the ruling Liberal Democratic Party [LDP] and the main opposition New Frontier Party [NFP]. Their discussion has become a focal point of the political situation. Behind their abrupt moves to form the tripolar party are the trend toward a two-party system that conspicuously appeared in the recent upper house election and their sense of crisis over the upcoming next general elections. Yet there are conspicuous differences between the SDPJ and the New Party Sakigake over procedures for forming the new party, and the prospects for forming the new party remain uncertain. The NIHON KEIZAI SHIMBUN interviewed Masayoshi Takemura, representative of the New Party Sakigake, to ask him about what type of party he is going to form and what problems are ahead.

[NIHON KEIZAI SHIMBUN] You and Prime Minister Murayama (chairman of the SDPJ) are trying to rally a new political force. Why are you and the prime minister calling for the formation of a tripolar party?

Takemura: There is no sign of the advent of a new political world, and this fact is making the people lose confidence in politics. In the recent upper house election and public opinion polls, more than half the people supported neither the LDP nor the NFP. Neither do they support the SDPJ or the New Party Sakigake. This fact must be admitted. It is necessary, therefore, to rally a new political force to respond to public opinion. The next lower house election will be held under the small constituency system, and this prospect has prompted the SDPJ and the New Party Sakigake to rally a new political force on a large scale. The two parties aim to rally dovish liberals to form a new party.

Major Decision Needed

[NIHON KEIZAI SHIMBUN] Would you explain your party's campaign strategy in the next lower house election?

Takemura: Our party intends to wage an aggressive campaign in the next lower house election. Our party should take political action to respond to public opinion without being dwarfed by the LDP and the NFP. If a new political group is formed, and if it upholds the ideals that we publicly announced when we formed the New Party Sakigake, then we will need to make a major decision, depending on developments. We will have to remain flexible.

[NIHON KEIZAI SHIMBUN] What is the aim of rallying the new political force?

Takemura: A group of dovish politicians asserts that Japan should uphold the pacifist ideals stipulated in the Constitution and look for a way to make nonmilitary international contributions without becoming a military power again. A group of liberal politicians has advocated liberalism, under which consideration is given to the socially underprivileged. We need to turn our eyes to the socially underprivileged while upholding the principle of competition and individual responsibility.

[NIHON KEIZAI SHIMBUN] Will you participate in a meeting of the SDPJ held to rally a new political force? With which parties are you going to forge an alliance?

Takemura: I will not go that far. There are differences within the SDPJ. Perhaps some SDPJ members hope to rally the new political force. Our party has yet to discuss this question formally. Our party will seriously discuss the question, and I intend to shape an intra-party consensus at the end of the discussion.

There Is Not Enough Time Left

The SDPJ is one of our partners in forming a new party. It is not desirable to form the new party only through the merger of established parties. There are various methods of rallying the new political force. To cite examples, there are coalitions and alliances. I want to take up those options for discussion in our party. There are numerous organizations outside the political world. Inside the political world, there is a group led by former SDPJ Chairman Sadao Yamahana and another group led by Hideo Den, a member of the House of Councillors. There are also many politicians, including former Hokkaido Governor Takahiro Yokomichi and Legislator Banri Kaieda, who are willing to participate in forming the new party. The new party cannot be formed without the participation of some members of the LDP and the NFP.

[NIHON KEIZAI SHIMBUN] What about the possibility of merging the SDPJ and the New Party Sakigake into a new party?

Takemura: We have no intention of abruptly merging ourselves with the SDPJ. Some members of our party have said that they would not work together with socialists. They have instinctively distanced themselves from the SDPJ because of its past image. In any case, all members of our party have a sense of crisis over the possibility that the LDP and the NFP will dominate the political world.

[NIHON KEIZAI SHIMBUN] When will the new political force be rallied? What role are you going to play in rallying the new political force?

Takemura: No procedures have been worked out. With more than half the terms of the members of the House of Representatives expired, there is not enough time left. I have my own view on generational shift. Abandoning myself will help make a good new start.

Yokomichi's Goals, Popularity, Book Discussed

952B0206A Tokyo SENTAKU in Japanese Jul 95 pp 62-63

[Unattributed article: "The Truth or Falsehood of Takahiro Yokomichi, the 'Last Trump Card'; Popularity and Hopes Alone Are Too Far in the Lead"]

[FBIS Translated Text] Former Hokkaido Governor Takahiro Yokomichi, of whom it has been said both, on the one hand, "In the north there is Yokomichi," and on the other, "He will not move unless you build a palanquin and invite him to ride in it," finally announced that he will return to central political circles.

Sixteen June at the Hotel New Otani in Tokyo's Kioicho.

The "Meeting to Encourage Takahiro Yokomichi" showed unusually good attendance. The over 1,500 persons in attendance overflowed the meeting hall, and one could not even move. Yokomichi addressed the audience. "My starting point for political activity is to think in global terms and act in local terms. I want to begin my new start from my home, Hokkaido. The Social Democratic Party of Japan also started out toward a new party. Politics will change greatly after the upper house election. I want to go on by forming a nucleus with comrades who share the same principles, policies, and aspirations."

He says that as early as sometime in July he will launch a local party, the "Hokkaido New Party," by assembling Hokkaido Yokomichi support groups, SDPJ branches, local labor unions, citizen groups, and so on, and cooperate with local political parties in each district. His ambition is to launch a new political movement, with "local" as its key word, targeted at the partyless segment which flung a "no" in the face of existing political parties in the Tokyo and Osaka gubernatorial elections.

Yokomichi's new book, *The Third Pole*, which was distributed at the "encouragement meeting," criticizes Ichiro Ozawa's "ordinary country" thesis as old manner of thinking which is rooted in "a lax view of the people of the nation" and "a haughty view of politics," in the point that it views Japan as lacking strong political leadership. Yokomichi's book is not "politics from above," it aims at development of two-way politics which values dialogue and horizontal networks.

A Politician Whose Ability Is Still Unclear

Furthermore, as the four choices which will determine the future framework of politics, Yokomichi lists the question of the 50th anniversary of the end of World War II, relaxation of regulations, decentralization, and the posture toward the Constitution; he himself chooses "a clear summary of the war," "saying goodbye to bureaucratic government," "making decentralized society a reality," and attaching great importance to the Constitution," and defines these as "liberal ideas." He also expresses a feeling of affinity toward the Liberal Democratic Party's Yohei Kono and Kiichi Miyazawa.

In particular, the New Party Sakigake seems likely to become an important partner, just as its Secretary General Yukio Hatoyama addressed the "encouragement meeting," saying, "If Yokomichi's local new party and Sakigake form a network, it will be possible to add a new page to the political history of Japan." There is also the fact that Yokomichi was elected from the same Hokkaido constituency as Hatoyama, and there is the intimacy of starting a national walking tour called "Liberal Forum," including Banri Kaieda and others who formed the local political party, "Tokyo Residents 21."

While on the one hand cutting down large political parties, saying "the LDP, which lost the desire for self-reform," "the SDPJ, which lost its identity and is drifting," and "the New Frontier Party, which is a collection of many households with weak principles and sense of existence" (*The Third Pole*), he rides on a fashionable "local party" and attacks the center from the provinces—Yokomichi's strategy is really cool. Even in the SDPJ, which was given the cold shoulder, with his saying "the direction in which the SDPJ will move is unclear," although it proposed to record Yokomichi in the number one spot on the list of names for the upper house proportional-representation district, it is virtually common-sense that "there is no one but Yokomichi" for chairman "after Murayama."

However, in reality, many things about this Yokomichi are unknown, for instance: what political creed does he have and how skilled is he as a politician? There may be some aspect in which the fact that he was outside of Nagatacho trickery for 12 years is spawning a "Yokomichi myth".

Whatever one says, the fact that Yokomichi is made much of now is due in great part to the fact that, at a time when a socialist political party is about to disappear from Japan because of the timidity of the SDPJ, one can place hope in him as "a trump card for rebirth of the Democratic Socialist Party." He is a second-generation Socialist Party Diet member. His record of belonging to the "New Current Association" before becoming governor, and of having borne one side in the showdown with the "Socialist Association," the party faction farthest to the left, has become a plus.

However, he does not reveal his true intentions as to how he, himself, relates to the SDPJ. The SDPJ decided at the 27 May special convention to switch to a new party, but, as always, the inner part of the party was divided. In contrast to the fact that General Secretary Wataru Kubo and Deputy Secretary Masanori Goto, with the breakup of the party in sight, are considering a "fresh-start new party" which forms new links with Sakigake and liberal forces within the conservative parties, most in the left and central factions which support Murayama, are thinking of a "new party with freshened makeup" maintaining the present framework of the SDPJ. There is even a mood of "is a new party necessary at all?"

It is clear that Yokomichi cannot participate in the latter, but neither is it reason to work with Kobo and Goto. Saying "Only SDPJ Diet members and some labor unions acted; there is no just cause which conforms to morality," Yokomichi is truly cool even to Sadao Yamahana, who gave enthusiastic support to him as the leader of a new party. Even though he espouses the same kind of "network-type new party," he declined to participate in the New Party Preparation Committee created by the SDPJ, saying, "I will cooperate in an adviser-like capacity."

"We are the ones who will hold the funeral. We want you to assume responsibility for the next stage. Within the SDPJ we will only cover ourselves with discredit."

Yokomichi, who just before the special convention was requested by veteran members to assume the position of deputy chairman and so on, merely prevaricated, saying, "Do you think so?" He did not want to be tinged with the color of an SDPJ that was in decline. And yet, to split with it completely contains the danger of his becoming rootless. For the time being, along with building a base in Hokkaido, he will serve as a bridge between Sakigake and the SDPJ, and will initiate action by also discerning the moves of the LDP and the New Frontier Party. It seems that he is probably thinking this way.

Slogans Are the Only Things That Stand Out

Concerning this Yokomichi, All Japan Prefectural and Municipal Workers' Union Chairman Morishige Goto, who supported Yokomichi's Hokkaido administration since he was chairman of the Hokkaido Committee, and who could also be called his mentor, said, "By the process of elimination, there is no one but Yokomichi," suggesting that his support is not wholehearted, and former Rengo Chairman Akira Yamagishi, who sought Yokomichi's return to the central government at the time of the Hosokawa government, and was disappointed by his indecisive attitude, has said, "Yokomichi became a political refugee." Recently they are again playing the role of supporters by appearing together at discussion meetings and so on, but their uneasiness as to whether he can be decisive when necessary seems not to have disappeared.

Behind the "call for Yokomichi" are also 12 years of administrative experience. He is said to be suitable for a new leader for whom there is a premise that he will take charge of a government. Yokomichi overturned six terms, 24 years of conservative Hokkaido administration and marched into the Hokkaido Government Office; he espoused "a quiet launching," and while dodging the distaste for reform of the LDP and so on, he invited the commanders of the Ground, Marine, and Air Self Defense Forces to the governor's mansion, and recognized the "rising sun flag" and "Kimigayo" as the national flag and the national anthem. One can be say it was something which anticipated the SDPJ's change of policy and participation in government. On the question of locating a high-level radioactive waste site at Horonobemachi, he consistently maintained a posture against it. When he retired he proudly said: "I was just about able to carry out my campaign promises." But there remains on Yokomichi's Hokkaido political career the stain of the "World Food Festival," which, because of such things as miscalculation of the number of persons who would attend, produced a deficit of about Y9 billion, part of which was for all intents and purposes written off in the form of a donation from a bank. There was also the scandal that two, division-head class, close associates of Yokomichi, who were also deeply involved in the "festival," were arrested on suspicion of accepting bribes from a consulting firm in connection with the devising of a new comprehensive plan.

And above all, the concrete policy of *The Third Pole* which Yokomichi espouses, is not clear. In the book, while on the one hand advocating the path to "an intellectual commercial nation" which does not aim at becoming a major military power, Yokomichi asserts that the Japanese-U.S. Security Treaty should be ranked anew within "common security" in Asia. But this is too abstract. Yokomichi, himself, makes the excuse: "I want to organize the concrete policy in my next book," but if he sets out to build a new party with slogans alone it will, in the end, be collecting numbers without regard to quality.

Is Yokomichi, who can be called "the last trump card" for opposing conservatives, a "false" politician who only rests comfortably on "star quality" and pursues a place in the sun, or is he a "true" politician who has the courage to venture into the rough seas of the political situation, unmindful of being hurt. The answer to that will come as early as after the upper house election, in which the Murayama government stands at the crossroad of life or death.

MITI To Create Competitive Policy Division

OW1708130195 Tokyo MAINICHI SHIMBUN in Japanese 17 Aug 95 Morning Edition p 9

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI], which plans to reorganize itself, decided on 16 August to create a Competitive Policy Division (tentative name) with the aim of turning the Japanese market into a fair and competitive one through the relaxation of regulations. MITI will include the necessary outlay for the establishment of the new division in its budget request for fiscal 1996.

The new MITI division would be created with the aim of launching a full-court press to achieve the relaxation of regulations to facilitate a shift in the current industrial structure and to reinvigorate the sagging Japanese economy.

Until now, the Industrial Organization Policy Office under MITI's Industrial Policy Bureau has taken charge of relaxing regulations and developing a competitive market. The "package of emergency yen-curbing and pump-priming measures" announced by the government in April this year expressly indicated that the government would implement the Five-Year Plan for the Relaxation of Regulations ahead of schedule.

During the Japan-U.S. talks on automobiles and auto parts, and again during the film dispute, the United States has demanded that Japan address its complicated business practices and stringently enforce the Antimonopoly Law. In the face of such U.S. demands, MITI has felt the need to strengthen its own organization through the creation of the new division.

Murayama's 'Acts of Aggression' Apology Assessed

OW1808111095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Aug 95 Morning Edition p 2

[Editorial: "It Took Government 50 Years To Admit 'Aggression'"]

[FBIS Translated Text] "During a certain period in the not too distance past, Japan, following a mistaken national policy, advanced along the road to war, only to ensnare the Japanese people in a fateful crisis, and through its colonial rule and aggression, caused tremendous damage and suffering to the people of many countries, particularly to those of Asian nations. In the hope that no such mistake be made in the future, I regard, in a spirit of humility, these irrefutable facts of history, and express here once again my feelings of deep remorse and state my heartfelt apology."

In his statement to mark the 50th anniversary of the war's end, Prime Minister Murayama explained his understanding of the history regarding the Pacific war and admitted a "mistaken national policy." At the same time, he stated his apology by using the clear phrase "colonial rule and aggression."

It took the government 50 years to positively say "aggression." Using such phases as "our country's act" (according to Prime Minister Miyazawa) and "acts of aggression" (according to Prime Ministers Hosokawa and Murayama), successive prime ministers have been careful about expressions they used so that people would not think that the entire war was an act of aggression. However, it was the first time for a prime minister to positively say "aggression."

Prime Minister Murayama used this particular word against the background that the contents of the Diet resolution and Education Minister Shimamura's recent remarks escalated criticisms at home and abroad. However, we can positively assess the fact that the prime minister used the word "aggression."

Expressions used in the Diet resolution, which was adopted in June by the three ruling parties, were excessively retrogressive. Therefore, it was a correct decision for the prime minister to spell out his understanding by using clear expressions to take responsibility for the 50 years.

The Diet resolution says: "Reflecting on numerous colonial rules and acts of aggression in the modern history of the world, these past acts of our nation." [sentence as received] This is, indeed, an ambiguous expression. The contents of the Diet resolution are so bad that people, who read it, would suspect that it is meant for granting an acquittal by stressing it as if other countries, too, did the same things.

Because of this, it turned out that the resolution all the more fanned Asian countries' distrust. Contents of the prime minister's statement is far better than that of the Diet resolution. Moreover, the prime minister announced the statement after obtaining a cabinet approval. Therefore, nobody can come up with an excuse, saying that the prime minister, who as chairman of the Social Democratic Party of Japan, announced it on his own will.

The important thing is that the government should not turn the statement into a stopgap. Ministers, who are members of the Liberal Democratic Party, have been repeating the same mistake of making a wrong comment about the war and eventually withdrawing it and there is no sign of ending this mistake. What kind of ill feelings is this repeated mistake giving to neighboring Asian countries?

On 15 August, ROK President Kim Yong-sam made a speech in Seoul, saying: "It is more important than anything else for Japan to correctly understand past history." The statement is viewed as an expression of strong distrust against Japan.

Although an aggressor has a tendency to quickly forget its acts, a victim never forgets damages it suffered. Some people may have their own partial story about the war. However, the war as a whole was a mistaken national policy, a colonial rule, and an act of aggression.

Some people are saying: "How long do we have to keep apologizing to appease them?" As long as there are people, who think that way, we cannot put an end to the issue of apologizing for the war. This issue will not come to an end until the victims say "you have apologized enough." This will continue forever unless they can believe that we are apologizing from the bottom of our heart.

Fujitsu To Build DRAM Plants in UK, Oregon

OW1608114995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Aug 95 Morning Edition p 1

[FBIS Translated Text] Fujitsu Ltd. will build a state-of-the-art semiconductor memory plant in Britain. The construction of the plant will start in the spring of 1997 with an investment of approximately 100 billion yen for the production of 16 megabit DRAM's (dynamic random access memory) in mid-1998. The major Japanese chip maker will also begin the construction of a semiconductor plant in North America at nearly the same cost. The major Japanese semiconductor maker plans to expand its supply capability in semiconductors in response to growing demand for memory following the advent of new-type software which needs mass capacity DRAM's. While NEC Corporation has increased the number of domestic production lines, Toshiba Corporation has decided to move into North America for the assembly-line production of semiconductors. Their investment in plants and equipment will mark an all-time high.

Fujitsu will construct the state-of-the-art semiconductor plant at the site of the (Durham) plant in Britain, where it started manufacturing DRAM's four years ago. "The construction of the plant will continue right up to the end of 1996," says, Assistant Director Masuo Tanaka of Fujitsu. The plant to be constructed in Britain will eventually turn out 64 megabit DRAM's after initially manufacturing 16 megabit DRAM's by burning minute circuits with each measuring about 0.3 microns (one micron is one-thousandth of a millimeter) in width and attaching them to silicon chips, each measuring eight inches in caliber.

This autumn, Fujitsu will begin the construction of another state-of-the-art semiconductor plant in Gresham, Oregon, the United States. The Iwade Plant, Fujitsu's fourth semiconductor plant in Japan, is expected to go into operation this autumn. The major Japanese semiconductor maker will have semiconductor plants capable of manufacturing both 16 megabit DRAM's and 64 megabit DRAM's in Japan, the United States, and Europe.

The demand for 16 megabit DRAM's has grown at twice the market prediction made a few years ago in response to the worldwide personal computer boom and 16 megabit DRAM's are now in acute short supply. "Windows 95," a basic software used in personal computers, is said to need a new memory capacity that is nearly twice the conventional memory capacity. With the software becoming highly functional, the demand for the DRAM is expected to grow sharply in 1997 and 1998.

In response to these prospects, each Japanese chip maker has decided to increase investment in plants and equipment. The total amount of investment in semiconductor plants and equipment by Fujitsu and four other Japanese major chip makers will certainly continue to increase even after 1996. The total investment as of this spring of 1995 by the five major Japanese chip manufacturers is said to amount to "540 billion yen, the highest investment level in five years" and their investment is expected to increase up to 655 billion yen. This investment amount surpasses the record-high 566 billion yen in 1990. Given their plans for overseas investment, investment in 1996 is expected to be high.

Imported Car Dealers Beefing Up Sales Network

OW1708120795 Tokyo SANKEI SHIMBUN in Japanese 13 Aug 95 Morning Edition p 3

[FBIS Translated Text] Moves toward introducing private communication systems are gaining momentum among imported car dealers. The introduction of their own information system is aimed at improving customer service — for instance by shortening delivery times — by having information near at hand on stock and distribution, so that sales will increase. Since sales of imported cars are rapidly increasing owing to the yen's appreciation, imported-car dealers intend to continue to take advantage of the exchange market.

In August, Volkswagen-Audi of Japan introduced about 220 personal computers with local area network (LAN) system that enables them to retrieve information on the number of autos sold and their prices in real time. The computers are used by about 80 percent of sales and clerical employees.

A secretary to the Audi Japan president said: "Since the system enables salespersons who tend to go on business trips to obtain and share sales information, we hope that their sales activities will be more effective and that at the same time our office will use less paper."

Meanwhile, Volvo Cars Japan [VCJ], which has launched a campaign to shorten delivery time, has developed a system that enables VCJ-affiliated dealers to place orders directly with the head office of Volvo Co. in Sweden. VCJ plans to start setting up such a system for major dealers starting this autumn, when Volvo announces the next year's new model.

Taking advantage of its purchase of Seibu Motor Sales Co., U.S. Chrysler is planning "to introduce a telecommunication system that enables interactive, direct exchange of information between the head office of Chrysler and users" (according to Chrysler Japan Sales), thus seeking to reestablish its own sales network in Japan.

According to the Japan Automobile Importers Association, the number of passenger cars imported in the period from January to July this year reached 206,800, up 35 percent from the same period last year. This reflects the fact that sales of imported cars — which once decreased, following the collapse of the bubble economy — are on the increase, thanks to the yen's appreciation and lower prices.

Taking advantage of this, imported car dealers, in preparation for the coming multimedia era, plan to compete with dealers in Japan-made autos by investing in an information and telecommunication system through which, the dealers hope, customers will be more satisfied with sales service.

North Korea

U.S. Urged To Establish Peace Mechanism

SK1808050095 Pyongyang KCNA in English 0454 GMT 18 Aug 95

["U.S. Urged To Make Bold Decision" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — NODONG SINMUN today comments on the insincere attitude of the United States toward the implementation of its obligation for peace and security on the Korean peninsula.

If the United States is interested in removing the tensions and confrontation and preserving a lasting peace and security on this peninsula, it must pay attention to the DPRK-proposed establishment of a new peace mechanism and come out to the negotiation table with the DPRK, the paper demands.

The news analyst says:

The issue of establishing a new peace mechanism on the Korean peninsula can be settled only by the DPRK and the United States.

It is because they are technically in a state of war.

The U.S. started the last Korean war against the DPRK. The two countries are signatories to the Korean Armistice Agreement.

If the unstable armistice is to be terminated and a lasting peace be preserved on this peninsula, the old armistice system must be replaced by a new peace mechanism between the DPRK and the United States.

Due to the deliberate, irresponsible conduct of the U.S., the Armistice Agreement remains only in name and its executive and watch bodies are in paralysis.

The U.S., however, is talking as if it were not a legal party concerned. South Korea is a puppet with no real powers on the maintenance of armistice and peace.

Nevertheless, the U.S. is trying to put the South Korean puppets to the fore. This is a trick to complicate the settlement of issues and delay the issue of establishing a peace mechanism.

The replacement of the Armistice Agreement with a peace agreement is a demand of the resolution adopted at the 30th session of the U.N. General Assembly. It is a commitment the United States made before the U.N. member nations at the session.

A framework agreement has been adopted between the DPRK and the U.S. and its implementation is under way. So, even if the U.S. responds to peace talks with the DPRK, it will not lose its face and there is nothing harmful to the U.S. interests.

The U.S. must discard the wrong concept and attitude and make a bold decision as soon as possible to conclude a peace agreement and terminate the state of war with the DPRK.

This is demanded by world conscience and reason.

The U.S. must not ignore this.

The international community is watching the U.S. attitude.

Protests of Kwangju 'Massacre' Decision Cited

South Academics Protest

SK1608215495 Pyongyang KCNA in English 1459 GMT 16 Aug 95

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — One hundred and fourteen professors of the Kwangun University Association of Professors in Seoul issued a statement on August 12 protesting against the Kim Yong-sam group's decision not to bring to a trial those involved in the May 18 massacre, according to a radio report from Seoul.

The statement said the decision was aimed at justifying the crimes of Chon Tu-hwan, No Tae-u and other former fascist dictators.

They demanded that a special law for prolonging the prescription of public action be enacted and a special prosecution system introduced to punish the Kwangju murderers.

South Students Demonstrate

SK1808051695 Pyongyang KCNA in English
0439 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — Over 7,000 students affiliated with the South Korean Federation of General Student Councils staged demonstrations in different parts of Seoul till late at night on Wednesday [16 August], in demand of the punishment of those responsible for the May 18 Kwangju massacre, a Seoul-based radio report said.

The students attempted to march towards the residences of the preceding dictators Chon Tu-hwan and No Tae-u after the third people's rally held in Changchungdan Park in Seoul to bring an action against the Kwangju murderers. They stubbornly fought the fascist police trying to disperse their ranks.

They held demonstrations, fighting the tear gas firing police even in the dead of the night.

Japanese Ministers' Visit to Shrine Denounced

SK1808051595 Pyongyang KCNA in English
0442 GMT 18 Aug 95

["Ghosts of Militarism Called Forth" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — Cabinet ministers of Japan visited the "Yasukuni Shrine" on the 50th anniversary of the defeat of Japanese imperialism in World War II, a news report from Tokyo said.

Eight ministers from the Liberal-Democratic Party including Trade Minister Hashimoto visited the "shrine" on August 15. The director of the Agency of Science and Technology, Urano, went there on August 14.

This came when some politicians of Japan overtly made remarks to whitewash and justify the war of aggression started by Japanese imperialism.

This shows that the Japanese reactionaries, far from apologizing for the criminal aggression, intend to call forth the ghosts of militarism and follow in the blood-stained footsteps of the "Imperial Army."

The "Yasukuni Shrine," where former Japanese Prime Minister Tojo and thirteen other A-class war criminals who started the war of aggression on the continent are buried, is a place to incite militarism, revanchism and fever of reinvasion.

The Japanese cabinet ministers' visits to the "shrine" are an unbearable mockery of the Asian peoples who suffered immeasurable damage and disasters from the war of aggression started by Japanese imperialism.

Japanese Minister's Remarks on War Denounced

SK1808094895 Pyongyang Korean Central Broadcasting Network in Korean
1222 GMT 17 Aug 95

[NODONG SINMUN 17 August commentary: "Militaristic Way of Thinking"]

[FBIS Translated Text] The Japanese ruling circles continue their attempts to beautify and embellish the Japanese imperialists' history of aggression and crimes.

Yoshinobu Shimamura, newly appointed Japanese education minister, let loose a string of blunders. At the news conference right after his inauguration, when asked whether or not the Asia-Pacific war was a war of aggression, he said that it is not necessary to indefinitely keep arguing over the past issue at a time when more than 70 percent of the Japanese population do not know about the past war, and insisted that the winner of a war usually says that the other side invaded. To put his words in other words, the war unleashed by Japan cannot be only seen as the war of aggression and, accordingly, there is no need to discuss the issue.

This is an expression of a dangerous militaristic idea of aggression to hide its past filled with malice and to repeat it. The character of the war is not determined by who wins the war or who loses the war, but regulated by who unleashed the war for what purposes. In the past, the Japanese imperialists perpetrated brigandish armed aggression under its ambition to conquer the entire Asian region, thus inflicting indelible misfortunes and calamities on numerous Asian people. History gave a stern judgment to the criminal acts of the Japanese imperialists.

Nonetheless, Japanese political figures continue to let out remarks beautifying and embellishing the Japanese imperialists' history of aggression. This is because they are tarnished with the militaristic way of thinking.

The newly appointed education minister's recent remark, which was made on the threshold of the 50th anniversary of Japan's defeat in the war, is an ill-boding sign.

The peoples in Asia and the rest of the world call on Japan to admit, to apologize, and to properly atone for the history of aggression and crimes this year, the 50th anniversary of its defeat in the war, disconnecting itself from its disgraceful past. Nonetheless, Shimamura stood up against such a demand.

His remark cannot be construed as an expression of his own viewpoint. In the past, there were a few ministers who were fired due to their absurd remarks. In this context, it would be appropriate to see that

Japan's attempts to beautify and embellish the history of past crimes and to shy away from an apology and compensation are the Japanese authorities' tendency.

Japan is not willing to admit its past crimes because it intends to repeat such a history. In reality, the Japanese reactionaries have fully embarked on the preparations for another invasion. Even after the end of the war, Japan rapidly build up armed forces of aggression and prepared its Self-Defense Forces enough to go through any war of aggression.

Japan is beefing up nuclear armament on a full-scale and is equipped with every law and systematic devise for aggression. The Japanese reactionaries regard Korea as its first target of aggression for its advance to the continent. As a matter of fact, preparation has been already completed.

The Japanese reactionaries' ambition for another invasion is further blazing up with each passing day. However, they will never be able to realize their ambition.

Today, the Asian people still have not forgotten the aggression and criminal acts perpetrated by the Japanese imperialist aggressors and are shivering with anger toward them.

The Japanese reactionaries should squarely see the reality and should renounce its militaristic way of thinking.

Koreans in Japan Hold Reunification Festival

SK1808042495 Pyongyang KCNA in English 0409 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — A Grand Reunification Festival of Koreans in Japan was held in Tokyo on Tuesday [15 August] to celebrate the 50th anniversary of the August 15 national liberation, according to Tokyo-based Korean news service.

Participating in the festival were the members of the Executive Committee of the festival and about 12,000 Koreans from all walks of life in Japan.

First Vice-Chairman Yi Chin-kyu and Chief Vice-Chairman Ho Chong-man of the Central Standing Committee of the General Association of Korean residents in Japan (Chongnyon) were invited.

At the festival a declaration was adopted in the name of all the participants.

The aggression and domination by outside forces are the root cause of all misfortunes and calamities the Korean nation has been suffering from national division for 50 years, the declaration said. It called for resolutely rejecting the instigation and intervention of the outside forces.

It said:

We share the idea that it is most reasonable to reunify the country independently and peacefully by our nation itself on the principle of great national unity by means of confederacy which ensures co-existence, co-prosperity and common interests of the North and the South.

We will achieve great national unity irrespective of difference in idea, religious belief, affiliation, classes and walks of life and make positive contribution to national reunification, the unanimous desire of the 70 million fellow countrymen, those with strength devoting their strength, those with money donating their money and those with knowledge giving their knowledge.

Speeches were made at the festival by Director of the Political Department of the Chongnyon Central Standing Committee Hwang Pyong- tae and Chairman of the Central Headquarters of the Union of South Koreans in Japan for Democracy and Reunification Kwak Tong-ui, who are co-chairmen of the Festival Executive Committee, and Vice-Chairman of the General Association of South Korean Buddhists in Japan Yi Myong-su.

Hwang Pyong-thae said that the Korean nation would surely reunify the country in the '90s because it has the most reasonable reunification programme and formula and the great leader Marshal Kim Chong-il stands in the van of the cause of reunification.

A performance of Korean artists in Japan was given at the festival.

CPC Sends Message to Boris Yeltsin

SK1808062595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 17 Aug 95

[Text of congratulatory message from the DRPK Central People's Committee to Russian President Yeltsin on the 50th anniversary of national liberation; dated 14 August]

[FBIS Translated Text] The DPRK Central People's Committee [CPC] sent a congratulatory message to Russian Federation President Boris Nikolayevich Yeltsin on the occasion of the 50th anniversary of the national liberation.

The congratulatory message is as follows:

Moscow,

Your Excellency Boris Nikolayevich Yeltsin, president of the Russian Federation:

The DPRK CPC extends greetings to you and the Russian people on the occasion of the 50th anniversary of liberation of Korea.

After the liberation, our people have successfully carried through various phases of revolutionary struggles and construction works under the leadership of the Workers Party of Korea, and are consistently working to realize their cause.

We express the belief that the bilateral relations between Korea and Russia will develop on the principles of independence, equality, and non-interference in other's internal affairs.

[Signed] DPRK CPC

[Dated] 14 August 1995, Pyongyang

Cuban Guest Visits Kim Il-song Statue

SK1808045195 Pyongyang KCNA in English 0423 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — Roberto Vasquez Medina [spelling of name as received], executive secretary of the Cuban Committee for Supporting Korea's Reunification, on Thursday visited the statue of the great leader President Kim Il- song standing on Mansu Hill here.

The visitor laid a bunch of flowers before the statue and made a bow.

Cambodian, Other Delegations Visit Kumsusan

SK1808044795 Pyongyang KCNA in English 0425 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — A delegation of the Ministry of Information of Cambodia, Sadakuni Takaya, general secretary of the Kyoto Japan-Korea Society for Scientific and Cultural Interchange, and his party and M.V. Scaillet, department director of the Food and Agriculture Organization of the United Nations, on Thursday visited the Kumsusan Memorial Palace in which the great leader President Kim Il-song is preserved in state, and paid homage to him.

The head of the Cambodian delegation, Khieu Kanharith, wrote in the visitor's book:

We respectfully pay deep respect to President Kim Il-song, the great leader of the fraternal Korean people and a great hero, who devoted all his life to the entire Cambodian and Korean people and to peoples of the world.

President Kim Il-song is immortal, he added.

Foreign Groups Visit Kumsusan Memorial Palace

SK1708045595 Pyongyang KCNA in English 0416 GMT 17 Aug 95

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — A delegation of the United Malay's National Organization of Malaysia led by Haji Mustapha Yaakub, secretary of the International Affairs Bureau of its youth organization, a delegation of the Japan Society for the Study of Works of Kim Chong-il headed by Yoshio Suzuki, president of the Hokkaido Society for the Study of Works of Kim Chong-il, and Roberto Vasquez Medina, executive secretary of the Cuban Committee for Supporting Korea's Reunification, on Wednesday [16 August] visited the Kumsusan Memorial Palace in which the great leader President Kim Il-song is preserved in state, and paid homage to him.

Haji Mustapha Yaakub wrote in the visitor's book that the whole world will always remember the activities and efforts of President Kim Il-song for global peace and stability.

Yoshio Suzuki said in the visitor's book:

His Excellency President Kim Il-song, the great leader, is always alive in our hearts and the chuche idea will be immortal with him.

Kim Yong-nam Meets Former Indian Official

SK1808112395 Pyongyang KCNA in English 1031 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — Vice-premier and Foreign Minister Kim Yong-nam met and had a friendly talk with P. Shiv Shankar, former foreign minister of India and governor of Sikkim State, and his companion who paid a courtesy call on him today.

Yang Hyong-sop at Indonesian Envoy's Party

SK1808050595 Pyongyang KCNA in English 0436 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — Zulkarnain Afri Pane, Indonesian ambassador to the Democratic People's Republic of Korea, gave a party at his embassy on Thursday on the occasion of the 50th anniversary of the independence of Indonesia.

Speeches were made there by the ambassador and Chairman of the Supreme People's Assembly Yang Hyong-sop.

Zulkarnain Afri Pane said he expresses deep condolences to His Excellency Kim Chong-il, the great leader, on the occasion of the first death anniversary of President Kim Il-song who devoted all his life to the prosperity and development of Korea.

The DPRK, a member state of the Nonaligned Movement, the ambassador said, has made positive efforts to realize South-South cooperation in accordance with the idea and principles of the movement.

Indonesia fully supports the desire of the Korean people for the peaceful reunification of the country, he said, hailing the agreement reached in Malaysia between the DPRK and the United States of America over the solution to the nuclear issue.

He said the excellent relations of friendship between Indonesia and the DPRK will further develop under the guidance of His Excellency Kim Chong-il, the great leader, the ambassador stressed.

Yang Hyong-sop said in his speech that over the past period the Indonesian Government and people have made enormous achievements in the efforts to consolidate the independence, defend the sovereignty of the country against the pressure and intervention by outside forces and to achieve the social welfare and development.

The government of Indonesia, the chairman state of the Nonaligned Movement, is making a big contribution to defending the idea and principles of the movement and strengthening its unity and cohesion on the basis of its independent foreign policy, he said.

He wished the Indonesian Government and people a greater success in the efforts for the independent development and prosperity of the country.

Invited to the party were Kim Yong-nam, vice-premier and foreign minister, officials concerned and diplomatic envoys of different countries to Korea.

Mongolian Envoy's Credentials Received

*SK1808045795 Pyongyang KCNA in English
0430 GMT 18 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — Newly- appointed Mongolian Ambassador to Korea D. Byambaa [spelling of name as received] presented his credentials to Yi Chong-ok, vice- president of the Democratic People's Republic of Korea, at the Mansudae Assembly Hall on Thursday.

Vice-President Yi Chong-ok had a conversation with the ambassador after receiving the credentials.

WPK, Malaysian Delegation Hold Talks

*SK1708050995 Pyongyang KCNA in English
0411 GMT 17 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — Talks were held here on Wednesday [16 August] between delegations of the Workers' Party of Korea [WPK] and the United Malay's National Organization (UMNO) of Malaysia.

Present on the Korean side were Vice-Director of a Department of the WPK Central Committee Kim Yang-kon and other officials concerned and on the opposite side were the members of the UMNO delegation led by Haji Mustapha Yaakub, secretary of the International Affairs Bureau of its Youth Organization.

The talks proceeded in a friendly atmosphere.

Hwang Chang-yop Meets Malaysian National Group

*SK1808051995 Pyongyang KCNA in English
0456 GMT 18 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea [WPK], met and had a friendly talk with the visiting delegation of the United Malay's National Organization [UMNO] of Malaysia led by Haji Mustapha Yaakub [spelling of name as received], secretary of the International Affairs Bureau of its Youth Organization, at the Mansudae Assembly Hall on Thursday.

The head of delegation said that though the great leader Comrade Kim Il-song passed away regrettably, his cause is being successfully carried forward to accomplishment by dear Comrade Kim Chong-il.

He expressed the belief that the friendly and cooperative relations between the UMNO and the WPK will strengthen and develop.

Friendship Gathering Held With Belgian Group

*SK1808045295 Pyongyang KCNA in English
0427 GMT 18 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — A friendship gathering with the visiting delegation of the Belgium- Korea Solidarity Committee was held here on Thursday.

Present there were the members of the delegation led by Van Hemel Joseph Gerard, member of the C.C. [Central Committee], the Belgian Labour Party, and Kim Yong-su, vice-chairman of the Korean Society for Cultural Relations With Foreign Countries who is concurrently chairman of the Korea-Belgium Friendship Association, and members of the association.

The participants enjoyed amusement games, mixed with each other, and had a friendly conversation.

Friendship Gathering Held With Swiss Group

SK1808045395 Pyongyang KCNA in English 0429 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — A friendship gathering with the visiting delegation of the Swiss Committee for Supporting Korea's Reunification was held here on Thursday.

Present there were the members of the delegation headed by Secretary General of the Committee Martin Lotscher and members of the Korea-Switzerland Friendship Association.

The participants informed each other of the activities of their organizations and had conversations on the matters of further strengthening the movement for friendship and solidarity between the two peoples.

Former Maltese Official Praises Kim Il-song

SK1608215695 Pyongyang KCNA in English 1501 GMT 16 Aug 95

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — Joe Debono Grech [spelling of name as received], former deputy leader of the Malta Labour Party and vice-chairman of the International Liaison Committee for Reunification and Peace in Korea, said in a press interview that socialist Korea will always remain shining with the august name of Comrade Kim Il-song.

"Comrade Kim Il-song will be immortal with the Democratic People's Republic of Korea and the world socialist movement because the idea created by him is great," he said.

"His idea has been embodied in Korea and his spirit is kept in the minds of the people," he said, and added:

"He, an outstanding man, will always be alive in the minds of humankind for his great idea and the immortal feats he performed for history."

Yi Chong-ok Meets With Foreign Guests

SK1808112595 Pyongyang KCNA in English 1035 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — Yi Chong-ok, vice-president of the Democratic People's Republic of Korea, Friday met and had a friendly conversation with the delegation of the Lao Front for National Construction and the Laos- Korea Friendship Association led by Maysouk Saysompheng, president of the Central Committee on the Front and chairman of the association, at the Mansudae Assembly Hall.

The head of the delegation fully supported the fair and just policies for national reunification put forward by Comrade Kim Il-song, the great leader of the Korean people.

Saying that the Lao people are learning from the successes and experiences of the Korean people in the socialist construction, he stressed that socialism will certainly emerge victorious.

He stated that the precious friendly relations between Laos and Korea which were established by Comrade Kim Il-song and Comrade [words indistinct] continue to strengthen and develop. We will [word indistinct] strive to consolidate and develop them, he said.

Vice-president Yi Chong-ok also met and had friendly conversations with P. Shiv Shankar, governor of Sikkim state of India, former foreign minister and chairman of the All-India Indo-Korean Friendship Association, and Om Prakash Mantri, secretary general of the Asian Regional Committee to Support the Reunification of Korea and secretary general of the association.

Yi Chong-ok Meets Overseas Koreans

SK1808043795 Pyongyang KCNA in English 0421 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — Vice-President Yi Chong-ok met with the delegations of overseas Koreans that took part in the Grand National Reunification Festival celebrating the 50th anniversary of Korea's liberation and had a talk with them in a compatriotic atmosphere at the Mansudae Assembly Hall today [17 August].

Preset there were chairperson of the Central Committee of the Chondoist Chongu Party Yu Mi-yong and others.

'World Public' Demand Pak Yong-kil's Release

SK1808042995 Pyongyang KCNA in English 0413 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — The world public condemned the South Korean puppet clique for arresting Pak Yong-kil, widow of Rev. Mun Ik-hwan, who went back to South Korea after visiting Pyongyang.

The Russian Association for Friendship and Cultural Cooperation With the Democratic People's Republic of Korea in a letter of protest to the traitor Kim Yong-sam on August 7 said that the attitude of the South

Korean authorities is touching off a strong protest from the world's people. It demanded they give up the unjustifiable violence against Pak Yong-kil at once.

Basudev Achrya, member of Parliament of India, in a statement on August 2 said that the Kim Yong-sam group's arrest of Pak shows that they are the most heinous fascist clique among the successive rulers of South Korea and "dialogue" and "cooperation" raised by them at every opportunity are no more than hypocrisy.

The arrest of Pak is a most undisguised challenge to the national reunification movement gaining momentum on the occasion of August 15, he noted. He demanded that the Kim Yong-sam group set her free unconditionally.

He said that the arrest incident of Pak must be internationalized and an international step for her unconditional release be taken.

A group of Christians in Hokkaido, Japan, in a protest letter to Kim Yong-sam on August 14 said that the acts of Pak Yong-kil are not a crime in view of the universal political and moral principles of man.

International Meeting Supports Reunification

SK1708104595 Pyongyang KCNA in English
1019 GMT 17 Aug 95

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — An international solidarity meeting for supporting Korea's reunification was held here on August 14.

Present there were Francisco da Costa Gomes, former president of the Portuguese Republic and honorary chairman of the International Liaison Committee for Reunification and Peace in Korea (Cilreco), and other guests of honor who have come here to participate in the grand national reunification festival celebrating the 50th anniversary of Korea's liberation and foreigners staying in Korea.

The participants observed a moment's silence in memory of the great leader President Kim Il-song.

Hwang Chang-yop, secretary of the Workers' Party of Korea Central Committee and chairman of the Korean Committee for Solidarity with the World People, in his opening address said that "We will realize the cause of national reunification without fail with concerted efforts of the whole nation under the outstanding and tested leadership of the great leader Comrade Kim Chong-il under the banner of the three principles of independence, peaceful reunification and great national unity and the ten-point programme of the great unity of the whole nation which were put forward by the respected leader Comrade Kim Il-song, amid the support and encouragement of the world's peaceloving people."

Guy Dupre, secretary general of Cilreco, made a keynote report and Yi Song-ho, vice-chairman of the Korean Committee for Solidarity with the World People, a supplementary report.

Yi Song-ho said that in order to achieve the independent and peaceful reunification of Korea, it is imperative to remove the danger of war from the Korean peninsula and guarantee genuine peace and security here.

If the United States truly wants peace and reunification of Korea, it must dismantle the "UN Forces Command" as clarified in the resolution of the 30th UN General Assembly session on the Korean question, sign a peace agreement with the DPRK and make a bold decision to respond to the DPRK proposal for establishing a new peace mechanism, he noted.

Speeches were made at the meeting.

Hiroshi Wakabayashi, secretary general of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, in his speech said that the forces seeking the freezing of division of Korea in the United States, Japan and South Korea are being further isolated by international opinions. It is important to wage a struggle to evoke such international opinions, he stressed.

Roberto Gabriele, general secretary of the Central Committee of the Movement for Peace and Socialism of Italy, in his speech said that the United States must withdraw its forces from South Korea and fulfil its responsibility and role in guaranteeing peace on the Korean peninsula.

Anders Kristensen, secretary general of the Nordic Cooperation Committee for Friendship and Solidarity with the Korean People, in his speech said that the United States must respect the principles it agreed upon with the Democratic People's Republic of Korea and sincerely implement the DPRK-U.S. framework agreement.

Om Prakash Mantri, secretary general of the Asian Regional Committee to Support Korea's Reunification, Madirisha Juvenal, secretary general of the African Regional Committee for Friendship and Solidarity with the Korean People, Vladimir Tolstikov, chairman of the Russian Association for Friendship and Cultural Cooperation with the DPRK, and Jack McPhillips, secretary general of the Australia-DPRK Friendship and Cultural Exchange Association, made speeches.

A letter to the great leader Comrade Kim Chong-il was adopted at the meeting.

It also adopted an appeal to the world peaceloving people.

Foreign Parties Greet Festival Committee

SK1708104895 Pyongyang KCNA in English 1028 GMT 17 Aug 95

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — Congratulatory telegrams came to the national preparatory committee for the grand national reunification festival celebrating the 50th anniversary of the country's liberation from different countries.

They were sent by Vladimir Burdyugov, chairman of the Political Council of the Left Party of Russia; Boris Petkov, president of the Executive Council of the C.C. [Central Committee], the Bulgarian Communist Party (Marxists); Stevan Mirkovic, president of the Presidency of the Communist Workers' Movement of Yugoslavia; Samuel Miyanda, vice-minister of Education of Zambia; Haji Mustapha Yaakub, secretary of the international affairs bureau of the Youth Organization of the United Malay's National Organization of Malaysia; Pan Yeu Teng, coordinator of the Action Front of Malaysia; Bewketu Tassew, chief of the Addis Ababa, Ethiopia, group for the study of the chuche idea; Babacar Samb, chairman of the Senegalese Organization for Friendship with the Fraternal Korean People; Alejandro Rosales Sanchez, secretary general of the Mexican Committee for Supporting Korea's Peaceful Reunification; Georgi Stoyanov, chairman of the Bulgaria-Korea Friendship Association; Herbert Steiner, chairman of the Society for the Promotion of the Relations Between Austria and the Democratic People's Republic of Korea; and political and public figures and organizations of Mali, Zambia, Cambodia, Togo and Yemen.

The telegrams stressed that Korea's reunification should be realized under the three principles of independence, peaceful reunification and great national unity and "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" which were advanced by the great leader President Kim Il-song.

Foreign Countries Hail Liberation Anniversary

SK1608232495 Pyongyang KCNA in English 2144 GMT 16 Aug 95

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — The 50th anniversary of Korea's liberation was hailed by foreign countries.

The great leader Comrade Kim Chong-il received floral baskets and congratulatory letters from the diplomatic corps, the military attaches corps and the foreign Economic and Commercial Councillors' Corps and diplomatic envoys to Korea on this occasion.

He also received messages of greetings from foreign party and state leaders including Russian President Boris Nikolayevich Yeltsin, Pakistani President Sardar Farooq, Vietnamese President Le Duc Anh, General Secretary of the C.C. [Central Committee], the Vietnamese Communist Party Do Muoi and General Secretary of the C.C., the All-Union Communist Party of Bolsheviks Nina Andreyeva.

A floral basket sent by Yasir 'Arafat, president of the State of Palestine was laid before the statue of President Kim Il-song on Mansu Hill, Pyongyang. And floral baskets were laid there by the foreign Economic and Commercial Councillors' Corps and diplomatic envoys of different countries to Korea.

Daily Hails Success of Reunification Festival

SK1808050995 Pyongyang KCNA in English 0504 GMT 18 Aug 95

["NODONG SINMUN Hails Success of Grand National Reunification Festival" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — NODONG SINMUN today carries an editorial hailing the success of the recent Grand National Reunification Festival celebrating the 50th anniversary of the liberation of the country.

The editorial says:

The historical Grand National Reunification Festival, first of its kind since the country was divided, was a proud victory of the patriotic forces for reunification over the splittist forces; it was a grand meeting of the nation which powerfully demonstrated the desire and will of the 70 million fellow countrymen for national unity and reunification in the '90s and a significant event which left a big inerasable mark in the half-century long way of our nation to reunification.

What is most successful in the festival is that a great national conference of political parties and organisations in the North, the South and overseas was held to discuss and confirm the way of national reunification common to the nation.

By confirming the proposal for reunification through confederacy based on one nation, one state, two systems and two governments as the way of reunification common to the nation, the conference verified the determination of our nation to achieve reunification by means of confederacy in the '90s with concerted efforts, instilled a new hope and conviction of national reunification in all the fellow countrymen and opened a bright and sure prospect for reunification in the '90s.

Only confederal formula, neither side conquering the other or being conquered, is the way of achieving national reconciliation and reunification under the present condition that different ideologies and systems are existing in the North and the South of our country.

Reunification by means of confederacy is national reunification based on national reconciliation and unity and, accordingly, it can be achieved when the motive force of national reunification are prepared in the great unity of the nation.

In order to promote the great unity of the nation at present it is imperative to put into practice the 10-Point Programme of the Great Unity of the Whole Nation.

All the Koreans of different social standings in the North, the South and overseas should unite on the principle of placing the common interests of the nation above anything and subordinating everything to national reunification on the basis of patriotism and the spirit of national independence under the banner of the 10-Point Programme of the Great Unity of the Whole Nation, a great charter of national unity and make tangible contributions to national reunification according to their environments and conditions as members of the Korean nation.

All the Koreans with patriotism for reunification should continue the grand march of reunification started with the Grand National Reunification Festival till reunification through confederacy in the '90s and thus demonstrate the dignity of the 70 million fellow countrymen and the honour of a reunified country to the world.

Celebrations Marking Anniversary of Liberation

SK1608231795 Pyongyang KCNA in English 2141 GMT 16 Aug 95

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — Celebrations took place in Korea on the occasion of the 50th anniversary of the country's liberation.

Floral baskets were laid on August 15 before the statues of the great leader President Kim Il-song in Hamhung and other areas by cadres of the party and the state, servicemen of the People's Army and working people.

Working people laid wreaths at the Revolutionary Martyrs' Cemetery on Mt. Taesong, and the Patriotic Martyrs' Cemetery in Pyongyang.

Floral baskets and wreaths sent by the great leader Comrade Kim Chong-il were laid before the statues of President Kim Il-song in Hamhung and on Mansu Hill in Pyongyang and the cemeteries.

On the same day, cadres of the party and government people of all strata and servicemen of the Korean People's Army visited the Kumsusan Memorial Palace to pay homage to President Kim Il-song.

A banquet was given on Tuesday by the government of the Democratic People's Republic of Korea on this occasion.

Vice-President Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, said in his speech at the banquet that it is the sacred task and firm will of all the Korean people to glorify the socialist country as the brilliant state of Comrade Kim Il-song forever, upholding the idea and leadership of Comrade Kim Chong-il.

An evening gathering of Hamhung youth and students took place on August 15 and art performances have been given at theatres in Pyongyang and other areas.

Festivities Follow Reunification Festival

SK1808112195 Pyongyang KCNA in English 1009 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — The [words indistinct] evening of the grand national reunification festival of the participants in the festival celebrating the 50th anniversary of Korea liberation was held in Pyongyang on Thursday.

Present there were Secretary of the Central Committee of the Workers' Party of Korea Kim Yong-sun, leading officials of political parties and organizations, delegates from all walks of life and artistes in the city.

Present there were also Yi Hye-chong and Chong Minchu, delegates of the South Korean Federation of General Student Councils (Hanchongnyon), under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), Choe Chong-nam, national director of the secretariat of Pomchonghangnyon, and Cho Yong-sam, member on the Association of Supporters for the Family Movement for Realizing Democracy in South Korea.

Vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan So Man-sul and delegates of regional headquarters of Pomminnyon and Pomchonghangnyon and delegate of overseas Koreans were also present there. Invited there were foreign guests of honor who participated in the festival.

Choe [words indistinct], vice-chairman of the Central Committee of the League on Socialist Working Youth of Korea, said that the proud vigorous march of Koreans in the North, the South and overseas toward reunification in the 90's in one ranks was fully demonstrated at home and abroad during the grand national reunification festival celebrating the 50th anniversary of Korea's liberation. He expressed the determination of young Koreans to make every effort to accelerate the reunification through confederacy true to the behests of reunification of the great leader Comrade Kim Il-song.

Chong [words indistinct], delegate of Hanchongnyon under the South side headquarters of Pomchonghangnyon, said that she keenly felt that only when Koreans in the South, North and overseas meet each other, the genuine great unity can be achieved. And she stressed that Hanchongnyon will vigorously struggle in the future, too, presenting the will of the 70 million Koreans.

Yi Chong-hwal, vice-chairman of the Association of Koreans in Japan for Peaceful Reunification, said: It would be happy if the festival were a great feast of the national [word indistinct] celebrated by all Koreans. The whole nation should unite and promote national reunification.

Young artistes [words indistinct] the state a colourful program including song, instrumental music and magic.

Artistes and delegates of the festival danced with the warm feelings of compatriotism and the ardent desire for the reunification.

The participants hardened their faith and will to [word indistinct] usher in a new morning of national reunification in the '90s upholding respected General Kim Chong-il, the life of the nation, and an eternal guardian of its destiny, in high esteem.

Foreign Officials Deliver Gifts for Kim Chong-il

SK1808112295 Pyongyang KCNA in English
1030 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — The great leader Comrade Kim Chong-il received gifts from visiting foreigners — Francisco da Costa Gomes, former Portuguese president and honorary chairman of the International Liaison Committee for Reunification and Peace in Korea (Cilreco); Paulette Pierson, vice- chairman of the Cilreco, and Narayan Man Bijukchhe, chairman of the Central Committee of the Nepal Worker-Peasant Party.

They asked secretary of the Workers' Party of Korea Central Committee Hwang Chang-yop and other officials concerned to convey their gifts to him.

Comrade Kim Chong-il also received gifts from the High Council of the Republic-Transitional Parliament of Zaire, the international affairs bureau of the Youth of the United Malay's National Organization of Malaysia and the presidium of the Cilreco.

Chairman on the DPRK Supreme People's Assembly Yang Hyong-sop, Secretary of the WPK Central Committee Hwang Chang-yop and an official concerned were asked to convey the gifts to him.

Foreign Media Carry Kim Chong-il Work

SK1808044895 Pyongyang KCNA in English
0422 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism," a famous work of the great leader Comrade Kim Chong-il, was carried by the Maltese paper L'ORIZZONT, the Yemeni paper SAUT AL YEMEN, the Indian paper INDIAN TIMES and the Angolan magazine ANGOP.

Foreigners, Overseas Koreans Visit Statue

SK1708045895 Pyongyang KCNA in English
0404 GMT 17 Aug 95

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — A delegation of the United Malay's National Organization (UNMO) of Malaysia led by Haji Mustapha Yaakub, secretary of the International Affairs Bureau of the Youth Organisation of the UNMO, M.V. Scaillet, department director of the Food and Agriculture Organisation of the United Nations; and Yi Sung-man, chairman of the "National Association of Compatriots in the Americas", visited the statue of the great leader President Kim Il-song on Mansu Hill here on August 15.

They laid bouquets before the statue and expressed reverence.

Work on Socialist Construction Reviewed

952C0154A Pyongyang NODONG SINMUN
in Korean 14 Apr 95 p 2

[Article by Kim Myong-i: "The Immortal Work That Illuminates the Road Leading to Socialism Under the Banner of Chuche"]

[FBIS Translated Text] Today is the 30th anniversary of the publication of the great leader Comrade Kim Il-song's immortal work "On Socialist Construction in the DPRK and the South Korean Revolution."

As our people honor this anniversary at this significant moment shortly before the 83d anniversary of the great leader Comrade Kim Il-song's birth, their hearts swell with fond memories of and infinite administration for the fatherly leader, who devoted his life to the struggle for the freedom and happiness of our people and the triumphant advance of our way of socialism.

The immortal work "On Socialist Construction in the DPRK and the South Korean Revolution" was presented by the great leader Comrade Kim Il-song on 14 April 1965. It was presented in the form of a lecture at the Ali Arham [phonetic] Academy of Social Sciences in Indonesia. We mull over, with a feeling of infinite reverence, the tireless effort of the great leader who early on journeyed to a distant foreign country to make public the programmatic classic brightly illuminating the road ahead for our people and the revolutionary people of the world.

The great leader's immortal work is a monumental classic that convincingly proved the validity and invincible vitality of our party's theory of socialist construction embodying the chuche ideology. The immortal work details the historical process of development in socialist construction in the northern half of the republic. It fully synthesizes the lines and principles set forth by our party for the socialist revolution and socialist construction, and the brilliant results and valuable experience gained in the struggle for their implementation. These lines and principles relate to such issues as: establishing a socialist system and carrying out economic construction in our country; firmly establishing chuche and implementing the mass line; and issues concerning the South Korean revolution. The classic sums up the practice and experience our people gained in socialist construction—the impressive record adorned with proud victories and brilliant exploits they achieved under the party and leader's sagacious leadership under the most arduous and complex circumstances. At the same time, it clearly indicates the road for the triumphant advancement of socialism. That is why this classic has served as a true textbook for socialist construction in our time and as an immortal banner of inspiration that has implanted firm faith in socialism in the hearts of the revolutionary people in the world.

These 30 years following the release of the immortal work have been a proud 30 years, in which the validity and vitality of our party's theory of socialist construction embodying the chuche ideology have been convincingly demonstrated. They have been a glorious 30 years in which our people have achieved such brilliant victories and exploits in the revolution and construction under the party and leader's leadership that they will continue to shine for the next 100 years. The immortal work demonstrates its irresistible attraction more powerfully with each passing day, by virtue of the veracity and validity of the thoughts and theories it contains.

The immortal work's weighty significance lies above all in the fact that it has enabled our party and people to push the cause of socialism firmly forward along the path indicated by the chuche ideology.

The great leader Comrade Kim Il-song taught as follows: "Establishing chuche is of primary importance for our party in correctly leading the revolutionary struggle and construction task of the Korean people."

Socialism is science. Success in the drive to realize the cause of socialism—an undertaking requiring us to explore everything for the first time on an untrodden path—depends, importantly, on the theory of socialist construction. The question of what principle and what method to use to build socialism is a historic task confronting the socialist parties in power leading socialist construction. This question can be successfully solved when a scientific and revolutionary guiding ideology is invented and followed.

In his classic the great leader Comrade Kim Il-song stressed that all the victories and successes our people achieved in the socialist revolution and socialist construction were possible because they firmly established chuche and met the demands of the chuche ideology.

As elucidated in the immortal work, our party and people carried out the socialist revolution to liquidate the outmoded relations of production and replace them by socialist relations of production in urban and rural areas to suit our people's aspirations and our country's actual condition from an independent point of view. In economic construction aimed at building the material and technological foundations of socialist construction, they held fast to the basic line of building a socialist economy in our own way—the line of simultaneously developing light industry and agriculture while ensuring the priority growth of heavy industry. As a result, our party and people were able to accomplish the difficult and complex socialist revolution in the shortest possible time, without even the slightest deviation, and build an advanced and superior type of socialism which is free from exploitation and oppression and which develops on its own reliable economic foundation.

Through the great leader Comrade Kim Il-song's immortal work, our people came to entertain the ironclad conviction that our party's line and policy on socialist construction embodying the chuche ideology are most just. With this conviction they vigorously moved forward brimming over with intense pride and self-confidence. Each of our people's victories and achievements has been achieved in socialist construction under the leadership of the party and the leader by the people solving all problems encountered in the revolution and construction in their own way. They represent a priceless fruit produced in the course of thoroughly implementing the chuche-oriented line of socialist construction elucidated by the great leader, with a firm grip on it. It was due to the great leader's sagacious leadership that our country continued to consolidate the self-reliant national economy more and more solidly and attained a powerful self-defense capability while beating back all pressures of the chauvinists and firmly maintaining an independent stand and attitude in politics. If we had pursued flunkeyism and revisionism in those days as some countries did, we would have been unable to build a strong state, which is sovereign, self-reliant, and capable of defending itself, as we see it today. That is why as our people mull over history and current reality, the uncanny clairvoyance and the sagacity of leadership of the great leader, who led socialist construction in country on the road of chuche, come home to them all the more acutely, warming their hearts.

The significance of the immortal work also lies in that it enabled us to create a powerful subject of the revolution capable of pushing ahead with socialist construction.

Socialist society is a society in which the masses are the masters and which develops by the creative efforts of the masses united as one. The basic way to push forward socialist construction successfully is to strengthen the subject of the revolution by educating the masses in socialist ideology and banding them closely together around the party, and to enhance the role of the subject of the revolution by giving full play to the revolutionary zeal and creativity of the masses. There can be no magic other than this in pressing forward socialist construction.

In his immortal work the great leader explains how our party and party members have solidly organized the masses into the subject of the revolution and constantly enhanced their role by carrying out vigorous ideological work among party members and workers and implementing the revolutionary mass line.

The immortal work expounds thoughts and theories on problems such as: arming our people airtight with our party's revolutionary ideology and its embodiment, namely, party lines and policies, and inculcating in people national pride and a spirit of self-dependence; and the problem of giving full play to the masses' revolutionary zeal and creative initiative by relying on the masses and giving priority to political work while bringing people in all strata together closely around the party by tightly combining the working class-based line and policy with the mass line and implementing a correct mixture of the two. These thoughts and theories constitute the valuable guideline to which the working-class party must permanently hold fast in strengthening the subject of the revolution and enhancing its role.

Our party has been able to rally all the people closely around it and the leader in terms of ideological will and moral obligations by brilliantly implementing these thoughts and theories set forth in the immortal work, with a firm grip on them, and to push forward socialist construction vigorously by giving full play to the ideas of the masses and inspiring creative positiveness in them. In the process the united body of the leader, the party, and the masses—i.e., the subject of our revolution—has been strengthened in every possible way. We have been able to staunchly protect and defend our way of socialism by smashing the imperialists' challenges. All the people have become a large harmonious family with their fine, noble communist morals being uplifted continually. This fact is a strong demonstrative proof of the validity and vitality of thoughts and theories set forth in the immortal work.

Continuing to implement the thoughts and theories expounded in the immortal work by holding fast to it—herein lies a sure guarantee for strengthening the subject of the revolution in every possible way in the future as in the past and triumphantly building socialism until it is brought to perfection.

The immortal work's historic significance also lies in the fact that it serves as the militant banner illuminating the clear path to accelerating the South Korean revolution and the historic cause of national reunification.

Reunifying the country was the great leader's life-long cause. He did his utmost for it, and set his heart on it from the day our country was divided. It is the paramount cherished desire of our people.

In his immortal work the great leader clarifies that the South Korean revolution is an important integral part of the Korean revolution, and refers to the undaunted struggle waged by the party to achieve national reunification. He also clarifies the nature, motivating force, object of the South Korean revolution, as well as the principle and the method of struggle that need to be strictly maintained.

The policy that calls for, among other things, building a solid revolutionary party in South Korea and organizing a hard-core revolutionary force is the most legitimate one for successfully accomplishing national reunification and the South Korean revolution by our nation's own efforts from the standpoint of self-reliance. In particular, the thought and theory on consolidating the revolutionary base in the northern part of the republic in political, economic, and military terms and strengthening solidarity with the international revolutionary forces are of great importance in achieving national reunification and the nationwide victory of the Korean revolution.

As a result of the publication of this immortal work, the South Korean people came to realize all the more clearly the aggressive nature of the U.S. imperialists and the reactionary nature of South Korean society, and they daringly launched into the nationwide struggle for the independent reunification of the country. In particular, it brought a great turnaround to the South Korean people's anti-U.S., anti-fascist struggle for democracy.

The hearts of our people throb as they feel all the more keenly the importance of the great leader's immortal exploits produced by his untiring efforts to achieve national reunification and genuine national prosperity. They are burning with a rock-firm determination to achieve national reunification in the 1990's without fail according to the last instruction of the great leader.

The immortal work also elucidates theoretical and practical issues related to the task of expediting the victory of the world revolution.

Indeed the immortal work of the great leader is the militant banner to which our party and people must hold fast permanently in the sacred struggle for socialist construction and national reunification, it is a programmatic guide illuminating the road ahead for peoples making revolution.

All party members and workers should arm themselves more airtight with our party's chuche-based thought and theory on socialism as elucidated by the great leader and accelerate the revolution and construction by following only his style.

KPA Soldiers Save People Trapped by Floods

SK1808051395 Pyongyang KCNA in English
0447 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — Servicemen of the Korean People's Army [KPA] under supreme commander Comrade Kim Chong-il, the great leader, saved lives and property of people with a noble spirit.

Some areas of the border city of Sinuiju on the River Amnok and Uiju County were flooded due to heavy rain and high tide of the West Sea [Yellow Sea] of Korea in early August.

Over 2,000 people were in danger.

Just at that time, informed of the situation, Comrade Kim Chong- il immediately ordered units of the three services of the Korean People's Army to save the people in the afflicted areas.

Given the order, the servicemen of the KPA went to the damaged areas aboard helicopters, amphibian tanks and high-speed transport boats.

They struggled to save the people with their lives although everything was invisible owing to thick fog and they could not find safe landing points because the whole islet was submerged.

The servicemen evacuated all the people there to the land safely by making over 50 dangerous flights and crossing the river flowing in rapids.

Comrade Kim Chong-il personally directed the rescue operation.

He was glad to hear the news that all the people of damaged areas were saved. He took steps to stabilize the people's life.

Experiencing the situation, the people deepened their belief that they have nothing to be afraid of even though the globe break apart or any formidable enemy pounce upon them as long as they have respected supreme commander Comrade Kim Chong-il and the Korean People's Army faithful to his orders.

Creativity of Popular Masses Stressed

SK1808074395 Pyongyang Korean Central Broadcasting Network in Korean
2240 GMT 16 Aug 95

[Unattributed talk: "The Socialist System of Our Country Is a System of Vitality Which Highly Displays the Creativity of the Masses"]

[FBIS Translated Text] Creativity is one of the essential characteristics of the popular masses. The popular masses must highly display creativity so that they can live in accordance with their essential characteristics, and the social system must make it possible to highly display the popular masses' creativity so that it can become a superior system and a system of vitality with great strength which is in conformity with the true nature of a social man.

The creativity of the popular masses is not displayed by itself. It is displayed through various elements. The social system plays an important role in highly displaying the creativity of the popular masses. The degree of bringing the creativity of the popular masses into full play is determined in accordance with the progress in the social system, and the vitality of the social system is regulated according to the degree of bringing the creativity of the popular masses into full play.

The great leader Comrade Kim Il-song taught: Through practical life, our people earnestly experienced that socialist system is indeed the most popular system firmly guaranteeing the position of master of the state and society to the popular masses, and that it is a system with most vitality which makes it possible to wholly display the infinite creativity of the popular masses.

As taught by the great leader, our people earnestly experienced through practical life that socialist system is indeed the most popular system and that it is a system with the most vitality.

Our country's socialist system displays the creativity of the popular masses to the utmost. There was no time as today when our people are possessed with the great strength of blossoming their wisdom and talent to their heart's content and reforming nature and society. Our country's socialist system is displaying the creativity of the popular masses to the utmost. Most of all, this is related to the fact that the leader, the party, and the masses are firmly united as one life.

The creative might of the popular masses lies in the organization and unity. The masses who are not united cannot be creative beings and cannot display great strength. Unity displays great strength which cannot by any means be compared with the individual's arithmetical sum which forms the masses.

Our people have achieved the most solid cohesion and unity. There is no solid unity than the unified body in which the leader, the party, and the masses are firmly united as one life. Our people bear in their hearts the leader's intention and the party's policy as a demand of their lives, and struggle by devoting everything to realize it.

If the party and the leader demand, we will do it — this is our people's unified appearance and struggle trait. Our people's revolutionary will united as one and the indomitable fighting spirit to unconditionally realize to the end the intention of the party and the leader, are invincible strength that achieve great results in socialist construction by overcoming any barriers and bottlenecks.

Another reason why our country's socialist system makes it possible to display the creativity of the popular masses to the utmost is related to the fact that the revolutionary work method and work style are firmly established among our functionaries and that there is no subjectivism and bureaucracy. The functionaries' work method and work style in highly displaying the creativity of the popular masses play a big role.

The creativity of the popular masses is a manifestation of originality. The masses' creative wisdom and talent are highly displayed in accordance with determination, resolution, and enthusiasm to carry out all work creatively. When there is no determination, resolution, and blazing enthusiasm to do what one wants, the existing wisdom and talent cannot be wholly displayed. The masses' originality is greatly dependent on the functionaries' work method and work style.

The masses carry out revolution and construction according to the party's leadership and the functionaries' guidance. The functionaries' work method and work style play a great role in the masses' determination, enthusiasm, and fighting spirit. Our party always demands that the guiding functionaries work through the work method and work style of always actively displaying the masses' revolutionary enthusiasm, creativity, and originality, opposing subjectivism and bureaucracy.

Our guiding functionaries always go into the masses and are in harmony with them to enhance their strong desire to struggle and are actively developing their wisdom and talent. In particular, the Chongsan-ri spirit and the Chongsan-ri method created by the great leader and the Taean work system must be thoroughly embodied so that our guiding functionaries can be free from the old work method and style, and actively display the masses' creative wisdom.

Another reason why our country's socialist system is displaying the creativity of the popular masses to the utmost, is related to the fact that the work to arm the popular masses scientifically and technically is being vigorously carried out. The creativity of the popular masses is guaranteed in accordance with science and technology.

Science and technology are mighty weapons which reform and develop nature and society. The popular masses must possess science and technology so that they can reform and develop nature and society in accordance with the developing principle. Science and technology are being endlessly developed in our country, and our people are possessing modern science and technology to their hearts' content.

The masses' science and technology are enhanced through education. Since a superior education system has been established in our country, our people's science and technology are being rapidly enhanced. The universal 11-year compulsory education is being practiced in our country so that everyone receives compulsory school education, free of charge, until they come of age to go to work, and they are learning science and technology to their hearts' content by using the universities, libraries, and library rooms that are spread throughout the country.

Also, with the strengthening of creative cooperation among the scientists, technicians, and workers, the masses' science and technology level are being rapidly enhanced in the practical struggle for socialist construction. In our country, all the people possess general knowledge and basic knowledge which is about the level of those who have graduated from senior middle school. Thus, our country is brilliantly shining as a superior social system displaying the creativity of the popular masses to the utmost.

WPK Sends Greetings to Polisario Front

SK1808042395 Pyongyang KCNA in English 0402 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] sent a message of greetings to the 9th Congress of the Polisario Front on August 15.

The message expressed the belief that the congress would mark an important occasion in the struggle of the Western Saharan people to further strengthen the Polisario Front and achieve the independence of the country.

Convinced that the friendly and cooperative relations between the Workers' Party of Korea and the Polisario Front would further develop through the common struggle to accomplish the cause of independence against imperialism, the message wished the congress great success.

'National Reunification Prize' Ceremony Held

SK1808043295 Pyongyang KCNA in English 0419 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — An awarding ceremony of "National Reunification Prize" took place at the Mansudae Assembly Hall today.

Read at the ceremony was a decree of the Central People's Committee of the Democratic People's Republic of Korea on awarding the prize on patriots and martyrs who greatly contributed to national unity and the independent and peaceful reunification of the country in line with the three principles of independence, peaceful reunification and great national unity put forward by the great leader President Kim Il-song, on the occasion of the 50th anniversary of the country's liberation. Then, diplomas and gold medals were conferred on them.

Speeches were made by Paek In-chun, chairman of the North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and chairman of the Central Committee of the General Federation of Unions of Literature and Art of Korea; and Chong Yi-kun, researcher of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland; and by Kim Hwa-sim, eldest daughter of Kim In-so who is an unconverted long-term prisoner in South Korea, on behalf of her father.

They said as long as respected General Kim Chong-il wisely guides the cause of reunification, the cause of the fatherly leader President Kim Il-song, who had devoted great efforts to the independent and peaceful reunification of the country until his last moments, the day will surely come when the 70 million fellow countrymen will enjoy themselves in the reunified country.

They said they will always value their glory and happiness, repay General Kim Chong-il's trust with invariable loyalty and filial duty and devote themselves to achieving national reunification in the '90s.

The ceremony was attended by Yi Chong-ok, member of the Political Bureau of the C.C. [Central Committee], WPK [Workers Party of Korea] and vice-president of the DPRK; Yu Mi-yong, chairwoman of the C.C., the Chondoist Chongu Party; and officials concerned.

Yi In-mo, incarnation of faith and will, was also present.

Cilreco Officials Visit NDFSK Mission

SK1808112095 Pyongyang KCNA in English 1001 GMT 18 Aug 95

[FBIS Transcribed Text] Pyongyang, August 18 (KCNA) — Former President of Portugal Francisco da Costa Gomes, honorary chairman; Paulette Pierson, vice-chairman; and Guy Dupre, secretary general, of the International Liaison Committee for Reunification and Peace in Korea (Cilreco), visited the Pyongyang mission of the National Democratic Front of South Korea (NDFSK) on Thursday.

They met and had a friendly conversation with chief Chi Chong- sang and members of the mission .

They expressed full support to and solidarity with the NDFSK's vigorous activities for the independent and peaceful reunification of the country in defiance of the suppression and obstructive moves on the part of the Kim Yong-sam fascist "regime".

Earlier, the delegation of the Lao Front for National Construction and the Laos-Korea Friendship Association led by Maysouk Saysompheng, president of the Central Committee of the Front and chairman of the association, and Narayan Man Bijukchhe, chairman of the C.C. [Central Committee] of the Nepal Worker-Peasant Party, visited the mission and had a friendly conversation with it.

Chuche Agricultural Method in Hwangju Followed

SK1808112795 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 17 Aug 95

[FBIS Translated Text] The Chondung field in Hwangju has again effected a gratifying corn farming situation this year.

One can see the endless sea of corn with ripened ears in any corn field in Chondung plain.

As one enters the fields of cooperative farms in Yongchon — the glorious land with imperishable historic relics of the great leader [suryongnim] and the respected Comrade Kim Chong-il — including Koyon, Kumsok, and Nasan, one comes to see corn fields where corn has longer and bigger ears with 30 more grains on each ear than that of last year.

Thus, their corn farming situation gave them firm confidence that they will reap more corn than last year.

The satisfactory corn farming situation provided in Chondung field is the result of assiduous farming by agricultural workers in this area who carried out the farming according to the demand of chuche agricultural method by highly upholding the fatherly leader's lifetime teaching and with a single heart to render loyalty to the great leader [yongdoja] Comrade Kim Chong-il.

South Korea

Defense To Purchase Equipment From U.S.

SK1708083095 Seoul YONHAP in English 0826 GMT 17 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — South Korea is to take over 275 advanced-type tanks and other military supplies worth 67 million U.S. dollars from the U.S. Forces Korea [USFK].

The Defense Ministry announced Thursday it signed a "Korea-U.S. equipment and supplies deal memorandum of agreement (MOA)" with the USFK under which the latter will turn over to South Korea 275 M48A5 tanks, 13 units of 105mm armored artillery pieces and some 40,000 tons of ammunition from its stockpile in less than a month.

South Korea will settle the account by subtracting the cost of the military supplies from the money the United States owes South Korea for its storing and maintaining U.S. military equipment for the period between 1978 and August 1995, a ministry spokesman said.

The M48A5 tank has a 105mm main gun and is more advanced than the South Korean Army's M48A3 tank armed with a 90mm main gun.

Heavy Rains Cause Property Damage in North

SK1708114295 Seoul YONHAP in English 1138 GMT 17 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — Heavy rains of more than 300mm pounded Pyongyang and many other areas of North Korea early this month to cause much losses in both human lives and properties, the NAEWOE Press specializing in North Korean affairs reported Thursday.

Quoting ethnic Koreans residing in the border town of Dandong, NAEWOE said those who were left homeless in the flood totaled tens of thousands.

In Sinuiju facing Dandong across the Aprok River, a large part of the city and nearby farmlands were inundated as the Supung and all other dams along the river opened floodgates in the heavy rains.

The exact extent of flood damages in the Sinuiju area is yet to be assessed as transportation and communications facilities were paralyzed due to flood damages, the report said.

The international train linking Pyongyang and Beijing had been suspended for more than a week before it was restored recently, it said.

Torrential rains of about 300mm were reported on Aug. 6-7 in Pyongyang to cripple the city's piped-water facilities among others. Because of the damage to the water supply system, it said, Pyongyang citizens had to use boiled rain waters.

The Pyongyang-Wonsan expressway, too, was washed away and otherwise damaged in many parts, paralyzing the east-west road transportation, NAEWOE said.

In North Korea heavy rains used to inflict exceptionally large damages mainly because terraced fields created at random in the mid- 1970s as a means of boosting food grains production are easily washed away in rains into rivers to cause their overflowing.

Direct North-South Sea Line To Open 11 Sep

SK1808061595 Seoul TONG-A ILBO in Korean 18 Aug 95 p 1

[By Cho Song-chin]

[FBIS Translated Text] For the first time since the division of the North and South Korea, a direct sea line that links the North and South will open on 11 September, and container ships will begin regular services between Pusan and North Korea's Najin port.

Editorial Views Handling of DPRK Affairs

SK1808091495 Seoul CHOSON ILBO in Korean 18 Aug 95 p 3

[Editorial: "Which Office Is In Charge of North Korean Affairs?"]

[FBIS Translated Text] Following the rice talks in Beijing, we once again revealed holes in our diplomatic policy toward North Korea at the North-South talks for the repatriation of the Samson Venus. The talks not only unveiled our side's low-profile attitude, which totally destroyed our country's prestige, but also exposed our side's inconsistencies in principles, intentions, and impromptu attitude.

Which office is in charge of the North Korean affairs any way? Is it the National Unification Board, the Agency for National Security Planning, or the presidential office? Unfortunately, the recent negotiations showed that it is none other than the Ministry of Finance and Economy, more exactly, Vice Finance and Economic Minister Yi Sok-chae. Even the vice unification minister disclosed that he is ready to suggest the replacement of the chief delegate to the inter-Korean talks, who is now Vice Finance and Economic Minister Yi.

The first remark made by Vice Minister Yi after he wound up the rice aid negotiation was: "If it was not for President Kim Yong- sam's courageous decision, the rice negotiations would have failed." Upon hearing his words, our people could not help but laugh, wondering for a moment whether we are living in the North or South.

It was clearly revealed on 16 August at a meeting of the National Assembly Unification and Foreign Affairs Committee that the Ministry of Finance and Economy and the Korea Trade Promotion Corporation did all the work while the National Unification Board, Chongwadae [presidential offices] secretariat office for national security affairs, and the Agency for National Security Planning remained idle spectators picking up information by keeping their ears open.

We are concerned about the abnormal situation of our diplomacy with North Korea, not only because we cannot understand the current special circumstance created by the rice aid but because the problems seem to have originated from our government's structural shortcomings.

Sources analyze that the handling of North Korean affairs is not fixed on one agency, but divided among the National Unification Board, the Agency for National Security Planning, and the presidential office. Therefore, it is not clear which agency will play a leading role in summoning a countermeasure meeting of relevant ministers in the event a problem occurs. To this end, each office does not have a clear understanding of what it is in charge of and, accordingly, is reluctant to accept responsibility. The emergence of the Ministry of Finance and Economy at the recent rice negotiations is one factor that complicates the situation.

This is a phenomena that has continued after the Kim Yong-sam government set sail. Even though there have been ceaseless denunciations of our diplomacy's "cacophony," improvement has not been made. Many view that this stems from President Kim's dogmatic ruling style.

We worry that the importance of horizontal contacts between relevant agencies, an appropriate share of work, an effective cooperative system, and functional assistance might be overlooked, driven by the president's excessive emphasis that all the foreign affairs, including North Korean affairs, be carried out with him at the core. "Who and which agency is in charge of North Korean affairs?" "Who is responsibly carrying out the policies toward North Korea?" These questions perplex the people. We also want to ask these questions.

Article Views PRC's Nuclear Test

SK1808081195 Seoul HANGUK ILBO in Korean 18 Aug 95 p 3

[Editorial: "Effects of China's Nuclear Test"]

[FBIS Translated Text] China's 17 August underground nuclear test has greatly shocked us due to its timing. The entire world has been conducting consultations and striving to minimize the danger of self-ruin from the destruction of the global environment and the unrestrained race for nuclear development.

A good example is U.S. President Clinton's 12 August declaration that the United States would stop nuclear testing forever. President Clinton has rejected the persistent domestic request for small-scale testing designed to check the performance of nuclear weapons, thus raising the possibility that the five nuclear weapons states would conclude a comprehensive test ban treaty.

China's latest nuclear test is the second this year and the 43d since it performed its first test in 1964. We do not know the details about the test because China merely announced over the government-run XINHUA News Agency that it had launched a nuclear test, without specifying the site of the test and other details. However, China reportedly will perform another test before the end of this year and three more next year, which fuels concern among the people of the entire world.

We believe, first, that the conflicts between China and the United States, China and Taiwan, and China and North Korea greatly affected China's decision to go ahead with the underground nuclear test. In particular, Taiwan's diplomatic offensive and its attempt to reenter the United Nations and declare independence had probably irritated the Chinese leadership, which may have felt it necessary to put on a show by resuming nuclear testing in order to curb U.S.- Taiwan relations, which had been strengthened in the wake of the visit to the United States by Taiwan President Li Teng-hui.

We assume China may have sought to improve its nuclear technology because Clinton's declaration that the United States would stop nuclear testing forever had made it more likely that a comprehensive test ban treaty would be concluded next year.

Domestically, Chinese President Jiang Zemin had been pressed to build a power base at an early date when Deng Xiaoping's death had been imminent. Therefore, he had not been able to turn a blind eye to the hard line of the military, in which he has no power base. A good example is that he recently announced that "80 percent of soldiers support an armed invasion of Taiwan."

However, we cannot but worry about the effects of this reckless nuclear test. A possible effect is that the Chinese test may incite France to go ahead with its own nuclear tests. We worry that the test will endanger the prospects for concluding the negotiations on a comprehensive test ban treaty, the prospects for which had been bolstered by Clinton's decision. We also worry that it will adversely affect the stability of Northeast Asia, which is important to us diplomatically and economically, and in view of national security. This is why China's underground nuclear test deserves the world's criticism.

Seoul, London To Negotiate Tax Exemption

SK1708091495 Seoul YONHAP in English 0835 GMT 17 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — South Korea and the United Kingdom will begin negotiations Monday to conclude an agreement on the exemption of social security taxes for Korean businessmen staying in Britain for a short period of time, a Foreign Ministry official said Thursday.

During the meeting to be held in London through Friday, the two sides will negotiate an agreement which will exempt businessmen from either country working in the other nation from paying social security taxes, according to the official.

Director An Ho-yong of the ministry's international trade division III will lead a South Korean negotiating team comprised of officials from the Ministries of Foreign Affairs and Health and Welfare. The U.K. side will be represented by Ray Corness who is in charge of international negotiations at the Department of Social Security.

About 600 Koreans are believed to pay approximately 6.6 billion won in social security taxes to the U.K. Government annually but few of them benefit from the payment because they usually only remain there for short stays for business purposes, according to the ministry.

President Kim Yong-sam proposed signing social security tax exemption agreements with Britain, France and Germany last March when he made state visits to the three European states.

Currently, the government is pushing ahead with plans to sign agreements with the United States, Canada, Germany and France.

Beginning Aug. 4, the government introduced a law which stipulates that foreigners working in the country must join the national pension system in an effort to pressure foreign countries to exempt Korean businessmen from paying social security taxes in their host countries.

Formerly, foreigners working in the country were given the choice of whether to join the country's national pension system or not.

Most Koreans working in foreign countries lose their social security tax payments because they seldom satisfy the minimum period of stay required by their host countries to qualify for benefits.

Romanian Parliamentary Leader Arrives in Seoul

SK1708001495 Seoul THE KOREA HERALD in English 17 Aug 95 p 2

[FBIS Transcribed Text] Adrian Nastase [spelling of name as published], president of the Chamber of Deputies in Romania, arrived in Seoul yesterday for a four-day visit at the invitation of National Assembly Speaker Hwang Nak-chu.

During his first day in Seoul, the Romanian parliamentary speaker met with his Korean counterpart Hwang and Foreign Minister Kong No- myong on ways to promote bilateral friendship and trade between the two countries.

Nastase is scheduled to pay a courtesy call on President Kim Yong-sam at Chongwadae [presidential offices] today.

He is also scheduled to meet Prime Minister Yi Hong-ku before touring Daewoo Motors Co.'s assembly plant in Pupyong tomorrow.

Early this year, Daewoo concluded a joint-venture contract with Romania's state-run carmaker Automobile Craiova (AC) to produce cars in the European country.

On his trip to Seoul, he is accompanied by three members of the Chamber of Deputies, or the House of Representatives, and two parliamentary officials.

Seoul and Bucharest established diplomatic relations in March 1990.

Visits Chongwadae

SK1808054895 Seoul YONHAP in English
0155 GMT 18 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 18 (YONHAP) — Adrian Nastase [spelling of name as received], president of Romania's Chamber of Deputies, paid a courtesy call on South Korean President Kim Yong-sam at Chongwadae [presidential offices], the presidential mansion, Friday morning.

They discussed matters of mutual concern including ways to promote bilateral relations between their two nations.

Nastase and two other Romanian deputies arrived here last Wednesday at the invitation of Hwang Nak-chu, speaker of the South Korean National Assembly. They are scheduled to leave here on Aug. 20.

New Zealand Attache's Letter Conveyed by Justice

SK1708070295 Seoul YONHAP in English
0450 GMT 17 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — A Constitutional Court justice was involved in the delivery to Rep. Kwon No-kap of a letter from Choe Sung-chin, an attache at the embassy in New Zealand, the lawmaker exposed to the media last June.

The letter, in which Choe claimed the Foreign Ministry had instructed its overseas missions to dispose of documents related to a survey of foreign local autonomous systems, proved to have reached Rep. Kwon via the office of Justice Cho Sung-hyong of the Constitutional Court, prosecution officials said Thursday.

Justice Cho, the officials said, was notified by the Foreign Ministry's Communication Division on June 24 that he had an envelope (sent via a diplomatic pouch) for him from Choe. Cho sent his secretary to collect the envelope which contained two letters, one addressed to him and another to Rep. Kwon, after which he conveyed the letter in question to Rep. Kwon, an official said.

Choe's letter, disclosed by Kwon the following day, asserted that the Foreign Ministry had instructed the overseas missions to destroy documents related to local autonomous systems and said Kwon might make public that he was the whistle blower, the official said.

Justice Cho, meanwhile, confirmed the report, saying, "My secretary picked up a large envelope at the Foreign Ministry which contained two letters, one addressed to me and the other addressed to Rep. Kwon.

"Choe has been one of my acquaintances... since I was in the opposition circle. But I had never been consulted in advance about the letter in question, and I knew nothing about the contents of the letter addressed to Kwon as I didn't open it."

Generals' Conversations During 1979 'Coup' Cited

SK1708100595 Seoul YONHAP in English
0910 GMT 17 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — An 80-minute-long audiotape of telephone conversations between commanding generals at the time of Dec. 12 "coup d'etat-like incident" was unveiled by a monthly magazine here on Thursday.

The September issue of "THE MONTHLY CHOSEN" published transcripts of the conversations tapped and taped-recorded on Dec. 12, 1979, by the then Defense Security Command (DSC). The DSC was then led by Maj. Gen. Chon Tu-hwan, who later gripped power in the Army as a result of the so-called mini-coup.

The tapes contain conversations the then third Army commander, Gen. Yi Kon-yong, had with then-Defense Minister No Chae-hyon and more than 30 commanding generals of Army corps and divisions.

Among the military officers involved are then Vice Defense Minister Kim Yong-hyu, then Chairman of the Joint Chiefs of Staff Gen. Kim Chong-hwan, Capital Garrison Commander Gen. Chang Tae- wan, and 2nd Army Commander Gen. Chin Chong-chae.

The tape clearly shows the resoluteness of Gen. Chang to quell the coup initiated by Gens. Chon Tu-hwan and No Tae-u, while revealing opportunistic attitudes of some military officials including Defense Minister No.

The prosecution wound up its investigation into the Dec. 12 coup d'etat on Oct. 29 last year and announced the results of the investigation, but the tape shows a more vivid picture of what actually happened.

After its investigation, the prosecution announced that the acts committed by Chon Tu-hwan and No Tae-u and 32 others who played an active part in the coup in 1979, were tantamount to "rebellion" under the military criminal code.

The prosecution said, however, that it would not indict them in consideration of their contributions to the country.

The Dec. 12 coup refers to the case in which Army Maj. Gen. Chon Tu-hwan, with the help of his colleagues, arrested Army Chief of Staff and Martial Law Commander Gen. Chong Sung-hwa amid confusion following the assassination of President Pak Chong-hui and subsequently emerged as the country's de facto strongman.

Defense Ministry Probing Leak

SK1708105595 Seoul YONHAP in English
1026 GMT 17 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — The Defense Ministry on Thursday began looking into the leak of the recorded tapes containing telephone conversations made among key military leaders during the vital hours of the December 12 "coup-like incident" of 1979 through which Maj. Gen. Chon Tu-hwan had emerged as the country's de facto strong man.

A ministry source said the Defense Security Command was checking those security command officers and men involved in the tape- recording of the telephone conversations at that time.

The source said the ministry was also studying relevant legal provisions to find out if the leak of such tapes constitutes the violation of the criminal code or the law on the protection of classified military information.

The criminal code and classified military information law provide for prison terms of less than two years and more than three years, respectively, against those who leaked the classified information they obtained in line of duty.

Group Cites Former Presidents' 'Political Fund'

SK1708100695 Seoul YONHAP in English
0917 GMT 17 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — The embryonic National Congress for New Politics (NCNP) has alleged that former Presidents Chon Tu-hwan and No Tae-u each raised a political fund of about 1 trillion won (1.30 billion U.S. dollars) while in office.

In a data it released on Thursday to prepare for the 177th regular session of the National Assembly opening September 11, the NCNP claimed that Chon had spent a total of 940 billion won as political funds for his seven-year term, while No had used a political fund over 1 trillion won during his five-year tenure as president.

Of the funds raised, Chon had provided a total of 168 billion won as the operating expenses for the now-defunct Democratic Justice Party (DJP) for his seven years in office and also provided 70 billion won for his successor No right after the June 29 declaration in 1987, the NCNP data alleged.

Chon also provided some 56 billion won to the local chapter chairmen of then ruling party for their personal expenses, 140 billion won as royal gifts on festive occasions, 30 billion won as general election aid funds, 130 billion won as presidential election aid funds for No and 270 billion won for other purposes, the data said.

Meanwhile, during No's term in office he had collected installments of 230 billion won from five conglomerates or "chaebols," 150 billion won from 10 chaebols, 200 billion won from 30 chaebols and 100 billion won from 50 chaebols, the data presumed.

In addition, No had received 270 billion won in return for his approval to build golf courses, 55 billion won from the remainder of political from Chon and various other fund and rebates raised from such big projects as the construction of atomic power plants and the introduction of F-16 fighters, the NCNP data alleged. [sentence as received]

More on 'Fund'

SK1808093795 Seoul YONHAP in English
0906 GMT 18 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 18 (YONHAP) — Former Presidents Chon Tu-hwan and No Tae-u are facing bitter affronts resulting from a series of recently-erupted controversies in which they are allegedly involved.

One of the most recent accusations alleges that they each raised a whopping 1-trillion-won political slush fund during their presidential tenures. The implication was raised on Thursday by the tentatively named National Congress for New Politics, which is in the process of being created by Kim Tae-chung.

Another incident involves the published transcripts by a Seoul- based monthly magazine of an 80-minute audiotape of wiretapped phone conversations between a number of Army generals on the night of the "military rebellion" in December 1979.

Earlier this month, both the ex-presidents were under public suspicion temporarily after a former cabinet member alleged that one of them controlled some 400 billion won in slush fund under assumed names.

The prosecution was quick to look into the allegation and concluded earlier this week that the former cabinet minister had been misled by rumors.

As to political fund-raising, both the ex-presidents denied the new party's allegation and refuted it as "groundless speculation unworthy of comment."

"It's a made-up story," commented one of Chon's aides in reaction to the new party's implication that Chon amassed a total of 940 billion won in ambiguous ways during his seven-year term.

The aide then chaqged Kim Tae-chung with "telling many lies in the past." He noted that Kim, back in 1988, alleged that Chon raised several trillion won of secret fund through price manipulations in the stock market and that he accumulated an immense amount of money through real estate deals in Australia.

"Nevertheless, Kim Tae-chung failed to produce any evidence whenever he told such lies," the aide said, adding, "the contention of Kim's new party is stereotyped and we don't feel the need to react (to any of its accusations)."

No's camp showed a similar reaction. "We don't even want to comment on such groundless speculation," an aide said bluntly.

In connection with the wiretapped phone dialogues, Chon's close aide said, "there was nothing new in the audiotapes except that it had the live voices of the people concerned at that time."

As to the allegation that the Defense Security Command had closely monitored the movements of the Army headquarters' officers opposed to the coup by tapping their telephones on the night of the military revolt, the aide claimed, "it was not wiretapping, but merely a routine inspection of communication security allowed under relevant laws."

Nonetheless, both the former presidents seemed somewhat perplexed by the publication of the audiotape transcripts, even though they are trying hard to look self-composed.

Observers see that the latest developments may deal a fatal blow to possible moves by confidants of the former presidents to create a new political party prior to next year's general elections.

Kim Tae-chung, Kim Chong-pil Resignations Urged

SK1708070095 Seoul YONHAP in English
0223 GMT 17 Aug 95

[FBIS Transcribed Text] Taejon, Aug. 17 (YONHAP) — Kim Yun-hwan, secretary-general of the ruling Democratic Liberal Party (DLP), on Thursday called for the political retirement of Kim Tae-chung and Kim Chong-pil to pave the way for a generational shift in the country's politics.

"The two opposition leaders must withdraw from politics honorably as the era of the three Kims came to an end with the birth of the civilian government led by President Kim Yong-sam," he said.

Kim made the remarks in a prepared speech at a hotel where he is to host a luncheon for members of the staff of the DLP chapters in Taejon and South Chungchong Province and a group of people who ran in the June 27 local elections on the DLP tickets.

"It is true that the ruling party suffered bitter hardships at the local polls, but never was it true that the people allowed the revival of the three Kims era or regional hegemonism," he claimed.

The two Kims are still aiming for presidential power on the basis of regional rivalries, he asserted, saying, however, such a "retrogressive political situation" will not last long, nor will people allow it.

"Sweeping away the era of the three Kims is a mandate from the people and history as revealed by the 1992 presidential elections" Kim said.

Groups Criticize Remarks

SK1708070495 Seoul YONHAP in English
0519 GMT 17 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — The tentatively named National Congress for New Politics [NCNP], led by Kim Tae-chung, strongly criticized Kim Yun-hwan, secretary- general of the ruling Democratic Liberal Party (DLP), Thursday in reaction to his remarks that the two Kims — Kim Tae-chung and Kim Chong-pil — should retire from politics.

The new party's spokesman Pak Chi-won said, "Chairman Kim was already judged by the people in the June 27 local elections."

He added, "Kim Yun-hwan is a man who has groveled before every regime since Pak Chong-hui's third republic. How can he make such an insulting remark to a man who has devoted himself to the struggle for the democratization of this country?"

The United Liberal Democrats (ULD), led by Kim Chong-pil, described Kim Yun-hwan's remarks as "the last-moment revilement," saying that it is not worth refuting.

Rep. Kim Yun-hwan, a journalist at the CHOSON ILBO until he entered politics in 1979, on Thursday called for the political retirement of the two Kims to pave the way for a generational shift in the country's politics.

Daily Apologizes for 'Erroneous' Reporting

SK1808060095 Seoul YONHAP in English 0256 GMT 18 Aug 95

[FBIS Transcribed Text] Taejon, Aug. 18 (YONHAP) — The TAEJON MAEIL SINMUN published a correction Friday stating that its earlier report which said ruling Democratic Liberal Party Secretary-General Kim Yun-hwan called the Chungchong-to (provincial) people "hatbaji," (cotton-padded trousers), a disparaging expression connotating country bumpkins, was erroneous.

In a five-column story printed on its front page, the Taejon daily explained, "Our report about Secretary-General Kim's remarks was based on allegations that had been made by some Taejon city councilors in the course of debating an "erroneous" story printed by a Pusan daily. As the report published in the Pusan daily was later found to be groundless, it has been confirmed that Secretary-General Kim never used the word of 'hatbaji' with regard to the Chungchong provincial people."

"We, having neglected the due process of verifying the utterances in question, are sorry for having defamed secretary-general Kim and for having caused any negative effects on regional sentiments," the statement said.

The correction came one day after Kim filed a 3 billion-won libel suit against the daily in connection with the allegedly erroneous reports.

DP Urges Legal Action Against Chon Tu-hwan

SK1808060295 Seoul YONHAP in English 0448 GMT 18 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 18 (YONHAP) — The opposition Democratic Party (DP) on Friday urged the government to take legal action against those involved in the Dec. 12 military rebellion in 1979, saying that the transcribed audiotapes published by a monthly magazine clearly show the rebellion was committed under a carefully thought-out plan.

Rep. Yi Kyu-taek, DP spokesman, commented, "Then-Defense Security Commander Chon Tu-hwan and other masterminds of the Dec. 12 incident have only bent on defending themselves as having said so far that they were accidentally involved in the incident."

The September issue of "THE MONTHLY CHOSON" published transcripts of conversations tapped and tape-recorded on Dec. 12, 1979, by the then Defense Security Command (DSC).

The tapes contain conversations the then Third Army commander, Gen. Yi Kon-yong, had had with then-Defense Minister No Chae-hyon and more than 30 commanding generals of the Army.

Yi added that the current regime should investigate the case again in light of this evidence to eliminate any doubts the people have as well as to take legal action against those involved in the incident.

"By doing so, the government would give warning that such military coup d'etats will not be tolerated in this country," Yi said.

DLP Chairman Refuses To Attend Conference

SK1808042895 Seoul THE KOREA HERALD in English 18 Aug 95 p 2

[FBIS Transcribed Text] The ruling Democratic Liberal Party, which is scheduled to change its leadership next week, is finding many pitfalls lying ahead.

Chairman Yi Chun-ku is refusing to attend a conference of leading party members, which will select his successor, while others are voicing dissatisfaction with the party's decision not to elect its floor leader.

Little composure is found among lawmakers from Taegu and its surrounding province, North Kyongsang Province, and those from the two Chungchong provinces and Taejon, who are considering changing their party affiliation for reelection.

Rep. Yi Man-sop, who is from North Kyongsang Province, where the ruling party is unpopular, has recently rocked the boat by voicing dissatisfaction with the way President Kim Yong-sam operates the party.

Chairman Yi Chun-ku said yesterday that he will not attend a conference of party officeholders, lawmakers, local chapter heads and other leading party members, which will be called into session Monday for approval of a new chairman nominated by President Kim.

"It would look unnatural for the outgoing and new chairmen to sit together at the ceremony," Yi was quoted as saying. "It would be burdensome for President Kim to see me at the conference when he is nominating a new chairman."

Despite his explanation, party members agree his absence would be very unusual. After all, he once showed his dissatisfaction with former President No Tae-u by boycotting a conference he called.

A party official said his absence at Monday's conference will fuel restiveness among lawmakers from the

Chungchong region where the opposition United Liberal Democrats won by a landslide over the ruling party in the June local elections.

Many of those lawmakers are considering breaking with the ruling party to join the United Liberal Democrats before the general elections are held next April.

Yi, himself a lawmaker from the Chungchong region, offered to resign as party chairman after his party's defeat in the local elections.

He met with President Kim yesterday afternoon for his last weekly report on party operations.

With Yi resigning from his post, President Kim is expected to carry out a sweeping reshuffle of party officeholders from chairman to floor leader.

On Wednesday at a conference of party lawmakers, the party decided to change a rule on the election of the floor leader.

Instead, it decided on the appointment of the floor leader by President Kim, who heads the ruling party.

Some lawmakers claimed the decision is a regression in party democracy.

DLP Resolves To Amend Constitution

*SK1808055195 Seoul YONHAP in English
0515 GMT 18 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 18 (YONHAP) — The Democratic Liberal Party (DLP) on Friday resolved to amend the party's constitution and regulations in such a manner as to give more power to the party president.

Under the amendments resolved at its Central Executive Council meeting, the DLP will select a new party chairman at the National Committee Conference slated to convene on Monday [21 August], after which the new chairman will receive resignations en masse from major postholders in order to accommodate a new leadership lineup.

President Kim Yong-sam, who also heads the ruling party, will conduct an overall reshuffle of the party's leadership organization early next week at the request of the new DLP chairman, party sources said.

The revised constitution stipulates that the party's national convention can nominate a DLP candidate to run in the presidential race at any time up to 90 days before the end of the current presidential term, which falls on Feb. 25, 1998.

This revision empowers the party president with a free hand to pick a candidate to be his successor at any time, unlike the previous party constitution which established that the presidential candidate could not be selected until one year prior to the termination of a president's term, but not less than 90 days before it.

The new constitution also abolished a system of appointing a floor leader through open competition and instead stipulated that he is to be appointed by the party's president at the request of the chairman under a caucus endorsement.

The DLP also decided to empower the president with the ability to select a candidate running in parliamentary races at the request of party chairman, instead of letting would-be candidates be chosen by the electoral college of local chapters, as the previous regulations mandated.

DLP Leader Sues 2 Provincial Dailies for Libel

*SK1708075495 Seoul YONHAP in English
0653 GMT 17 Aug 95*

[FBIS Transcribed Text] Yusong, South Chungchong Province, Aug. 17 (YONHAP) — Ruling Democratic Liberal Party Secretary- General Kim Yun-hwan, denying reports that he described Chungchong- to (provincial) citizens as "hatbaji (cotton-padded trousers)," a derogatory expression connotating country bumpkins, Thursday filed lawsuits against two local newspapers for damages he suffered as a result of false reporting and defamation.

The lawsuits were filed against the KUKJE SINMUN of Pusan and the TAEJON MAEIL SINMUN of Taejon.

Explaining the background of the lawsuits at a press conference here Thursday morning, Kim said, "despite the fact that I've never said that (the people of) Chungchong Province are 'hatbaji', such a phrase was coined and distorted by the press and then abused by a specific political group."

He recalled that on Jan. 20, when he was serving as first state minister for political affairs, journalists asked how he thought the people in Taegu and North Kyongsang Province viewed the new party being created by Kim Chong-pil.

"I merely replied, 'whenever a new party is being organized, people often talk about the opinions in Taegu and North Kyongsang Province. But I've been told that people (in Taegu) say that they are not hatbaji (so stupid as to jump on any bandwagon) and that if they wanted (to have a party), they would form one themselves.'"

In reality, however, Kim continued, "a reporter of the KUKJE SINMUN who was not present at the discussion wrote a story based on second-hand information and falsely reported that I uttered 'hatbaji' in reference to Chungchong provincial residents, which I didn't at all.

Then the TAEJON MAEIL SINMUN headlined the story on the front page as if it were true."

Calling himself and the government party the primary victims of the false reports involving the "hatbaji" story, Kim asserted that the citizens hailing from Chungchong Provinces and from other areas are also victims. "Some press and political groups should also bear responsibility for having deepened the sentiments of regional rivalry by fanning the false reports intentionally and irresponsibly, with full knowledge that the reports were untrue," Kim charged.

Kim further maintained that the two local newspapers, despite their admissions of having made the false reports, continued to run the stories and refused to publish corrections. Such practices should not be left unchecked, Kim added.

Democratic Party Fails To Settle Differences

SK1708025995 Seoul YONHAP in English 0127 GMT 17 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — The two factions within the opposition Democratic Party (DP) failed to settle their differences regarding the party's future leadership system on Wednesday night.

All five representatives — three loyal to party president Yi Ki- taek and two representing his opponents — discussed future leadership system for more than one hour at the party building at Mapo-ku, Seoul, but could not reach an agreement.

Yi's faction pushed for a two-co-chairman system for the party, while his opponents changed their original proposal and wanted to negotiate a three-co-chairman system.

Reps. Kang Chang-song, Kang Su-lim and Chong Ki-ho participated in the negotiations on Yi's side, while Vice DP Presidents Rep. Yi Pu-yong and No Mu-hyon represented the other camp.

They decided to resume their negotiations in several days.

Rep. Yi Ki-taek Wednesday accepted a co-chairman leadership system which had been proposed by Vice DP President Rep. Kim Won-ki — a leader of Yi's opponents, but only under the condition that Rep. Hong Yong-ki, vice speaker of the National Assembly, be made one of the co-chairmen.

However, Rep. Kim's side changed its proposal Wednesday night, citing that the party should invite a big shot from outside the party to lead them along with the two co-chairmen chosen from inside the party.

The intra-party rift popped up after a majority of the party's lawmakers defected to a new party now being founded by Kim Tae-chung.

Koreasat 1 Ascends Toward Desired Orbit

SK1808052295 Seoul THE KOREA HERALD in English 18 Aug 95 p 8

[FBIS Transcribed Text] The Mugunghwa Satellite, currently staying in a temporary circular orbit, has ascended about 90 km upward toward the desired orbit 36,000 km above the earth, Korea Telecom said yesterday.

"The Koreasat 1 first ignited two of its west-panel engine thrusters, called reaction engine assembly (REA), for 10 minutes from 7:10 p.m. Wednesday (KST), moving about 42 km upward," said a spokesman for Korea Telecom satellite business center.

The 42-km ascent exceeded the targeted goal of 26 km by about 1.5 times, the spokesman said.

"In the second REA-ignition attempt that occurred shortly after 3 p.m. Thursday (KST), the Koreasat 1 went up another 50 km," he said, adding that the satellite's power and heat control systems are also working fine.

Koreasat 1 will attempt to gradually approach the desired orbit over the next 20 days by igniting two of its four west panel REAs about nine times.

"If the four west panel REAs are all used, the orbit entry time will be advanced by about 10 days, but the satellite's life will be curtailed by an additional three months," the spokesman said.

Koreasat 1 entered the temporary circular orbit Aug. 10 and unfolded its solar cell panels Wednesday after being stranded in the wrong transfer orbit for six days from Aug. 5.

Thruster Boosts Mugunghwa Satellite Altitude

SK1808083095 Seoul YONHAP in English 0728 GMT 18 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 18 (YONHAP) — The Mugunghwa satellite, South Korea's first multipurpose satellite, has increased its altitude by another 900 km, Korea Telecom (KT) said Friday.

A KT spokesman said, "The satellite further increased its altitude by using its reaction engine assembly (REA) thruster for two hours and 50 minutes on each of two occasions, at 3:20 PM and 11 PM Thursday." The two activations of the REA thruster followed a first attempt on Wednesday.

The thruster was ignited again at 9 AM Friday for a fourth attempt, which was supposed to last five hours.

Following the third attempt, the apogee of the satellite increased from 29,820 kilometers to 30,723 km, while its perigee rose from 26,916 km to 27,909 km, according to the spokesman.

He added that the satellite is expected to enter its originally targeted geostationary orbit around Sept. 5.

The satellite, launched on Aug. 5, failed to reach its ultimate circular orbit due to a technical problem.

Nation To Host Air Show at Seoul Airport

SK1808052395 Seoul THE KOREA TIMES in English 18 Aug 95 p 3

[FBIS Transcribed Text] The Korean Air Force will host a major air show that will attract the who's who of the world's aircraft manufacturing industry with their next-generation products from Oct. 21-27 of next year at Seoul Airport in Songnam, southeast of Seoul.

Seoul Air Show '96 will be the testing ground of state-of-the-art aircraft and related equipment manufactured by some 200 companies from over 20 countries, an Air Force spokesman said.

The participants include Lockheed, McDonnell Douglas of the Untied States and companies from France, Russia and other countries. Among their products is the Eurofighter 2000, French Rafale, Russian Su-35 and American F-22.

The Eurofighter was developed in France, Spain, Germany and Italy seeking to compete with the U.S. dominance in the industry. However, it had been reported that many trials and errors plagued its development and manufacturing.

The participating firms, backed by their countries, are expected to show what they've got at the show to get good marks and secure clientele.

A team of ROK Air Force pilots will present a unique air show program in their A-37 fighters. KTX-1s, an advanced training aircraft, designed and manufactured with local technologies, will be on display.

Party Seeks Politically Neutral Police

SK1808042795 Seoul THE KOREA HERALD in English 18 Aug 95 p 2

[FBIS Transcribed Text] The National Congress for New Politics (NCNP) said yesterday that it will seek to free police from the central government's control and limit a lawmaker's consecutive reelection in one electoral district to three terms.

To promote the political neutrality and autonomy of police, the new opposition party proposed that police committees be created and placed under the supervision of metropolis mayors and provincial governors.

It also proposed a national police committee be created for coordination among regional police forces.

When it suggested a maximum of three consecutive terms for members of the National Assembly and members of local councils in the same electoral districts, the opposition party said politicians need sabbaticals.

These and other proposals were contained in the party's position paper which was distributed to lawmakers who were being trained for the upcoming regular National Assembly session starting next month.

The opposition party proposed that the voting age be lowered from the current 20 to 18.

Instead of permitting the administration to introduce bills for action in the National Assembly, the party suggested that only lawmakers be allowed to propose legislation.

It suggested the administration and other constitutional agencies be given the right to request legislation by the National Assembly.

It also proposed the National Assembly be open all year round instead of during specified special and regular sessions.

In addition to a national police committee, it suggested the creation of a central personnel management committee, a trade representative's office, a ministry of small- and medium-sized companies, a ministry of women and administrations on disaster control, ethnic Koreans overseas and food and drug.

It suggested the abolition of the Ministry of Information, the posts of two ministers of political affairs and the Advisory Council on Democratic and Peaceful Unification.

It also proposed the Ministry of Home Affairs be reduced to a ministry of local government and that the Agency for National Security Planning be deprived of its right to engage in investigation.

Samsung Breaks Ground for SRV Joint Venture

SK1708002795 Seoul THE KOREA HERALD in English 17 Aug 95 p 8

[FBIS Transcribed Text] Samsung Electronics Co. has broken ground for a joint venture for producing home electronics appliances in Ho Chi Minh City, Vietnam.

The joint venture, called Samsung Vina Electronics Co. (SAVINA), will be invested at a ratio of 70:30 by Samsung and Vietnam's Trade Import Export Co. (TIE) respectively.

Attending at the ground-breaking ceremony Monday were No Kun-sik, Samsung Electronics vice president in charge of international affairs, Truong Tan Sang, Ho Chi Minh City mayor, and Kim Pong-kyu, Korean ambassador to Vietnam.

The plant, to be set up on a lot of 66,000 sq.meters in the Thu Duc area, is scheduled to be completed next March.

Starting next April, the plant will initially churn out 70,000 color TV sets annually and its annual production capacity will be raised five-fold to 350,000 units by the year 2000.

The plant will also produce refrigerators from 1997 and its annual production capacity will increase from 30,000 to 100,000 units.

Yen Depreciation To Impact Local Industry

SK1808051295 Seoul THE KOREA TIMES in English 18 Aug 95 p 1

[By staff reporter No Chun-hun]

[FBIS Transcribed Text] The sudden depreciation of the Japanese yen against major international currencies will have a serious impact on the Korean economy and industry in six months, foreign exchange experts said yesterday.

According to financial sources, the loss in the yen's value should continue for the foreseeable future and major Korean industries like automobiles and shipbuilding will fall victim to the new conditions.

Researchers of the Korea Development Institute (KDI) said these industries, and others like home electronics, will suffer due to the enhanced international competitiveness of Japanese products.

"Basically, the present advantages enjoyed by those sectors will be lost as a result of the depreciation of the Japanese yen which will continue for a while, judging from the fact that it is a collaborative effort by the Japanese and American governments," one KDI researcher explained. In fact, officials of the Hyundai Economic Research Institute said a change in the exchange rate from 90 yen to 100 per U.S. dollar will result in a 2 percent reduction in exports in the first year and 2.2-percent-per-year losses for the next three years.

"While the import-export performance at first will not be drastically affected, starting from next year it will be damaged should the foreign exchange pattern continue," one Hyundai researcher explained.

Practically speaking, officials of the Ministry of Trade, Industry and Energy said there will be a certain level of balance maintained in imports and exports with the depreciation of the Japanese yen.

"The falling yen will enhance the price competitiveness of Japanese goods. At the same time, the cost of purchasing Japanese equipment will fall," said Kim Hong-kyong, director general for trade affairs at the Ministry of Trade, Industry and Energy (MOTIE).

One problem, he said, is that Japanese investments in Korea will fall due to the increasing competitiveness of Japanese manufacturing.

"It is difficult to estimate the actual effects of the yen depreciation but industries like automobiles and shipbuilding will certainly suffer." He added however that the Korean currency will not appreciate strongly against the yen.

At the Ministry of Finance and Economy [MOFE], emergency meetings have been held to deal with the sudden fall in the yen, as officials are certain that it will have a strong effect on Korean industry.

"While sectors like semiconductors, which remains strong in the international market, will cope, home electronics can only suffer because it has been operating with slim margins to begin with," one MOFE official explained. He said the exact impact of the yen depreciation cannot be estimated at the moment but there is no doubt that price competitiveness will fall victim to the yen's rush. "Fortunately, the quality of Korean-made products has improved."

The Bank of Korea, on the other hand, said depreciation of the won often brings about a positive effect with a 1-percent fall in value resulting in a 0.56-percent export increase and a 0.46-percent import decrease.

However, as far as yen appreciation is concerned, it may have the opposite effect even though the imports of parts and components and capital goods fall.

"Now, owing to the fact that Korean companies have diversified their sources to American and European companies, they have little to gain unless they wish to switch back to Japanese equipment," one MOTIE officials said.

Inn absolute trade terms, the Korea Institute of Industrial Economics and Trade (KIET) said a 10-percent appreciation of the Japanese yen brings about a 3.5 percent increase in exports and the same yen depreciation the opposite.

Samsung Group Gets Top Managerial Assessment

SK1808044995 Seoul THE KOREA HERALD in English 18 Aug 95 p 8

[FBIS Transcribed Text] Samsung Group got the best marks in the overall managerial assessment of Korea's 30 leading industrial conglomerates by a local corporate-evaluating agency.

The Seoul-based New Industry Management Academy, which has recently analyzed the 30 largest business groups' 1994 financial statements, gave Samsung the highest overall marks of 89.47.

The nation's second-largest conglomerate, or chaebol, in terms of assets headed such categories as profitability and activity, it said. Samsung also ranked second in growth potential but fell far below to 17th in stability.

Despite the steep sales and profit increases from its semiconductor unit, these gains were regarded as temporary, said the report explaining the reason for Samsung's poor rating in the stability category.

LG Group ranked second with an overall 86.87 points. By category, the nation's third-largest chaebol was ranked second in terms of profitability, fourth in activity, fifth in growability and 11th in stability. The other eight groups in the best-10 list were ranked in the order of Ssangyong, Hyundai, Kolon, Dong A, Sunkyong, Dongbu, Hyosung and Lotte.

Daewoo, fourth-largest on a sales basis, placed only 11th in the financial analysis report. Other groups which are included in the big-10 list in terms of sales but bumped out of the financial best- 10 chart were Kia (20th), Hanjin (12th) and Hanwha (26th).

In contrast, some groups ranked between 11th and 30th places in sales volume, entered into the top-10 rank in the financial analysis. They are Kolon (fifth), Dong A (sixth), Dongbu (eighth) and Hyosung (ninth), the report said.

By category, the five most financially stabilized groups were mostly construction-related groups such as Kukdong Construction, Woosung, Dong A, Daelim and Daewoo, in that order.

Other category performances were: growth potential — Hanbo, Samsung, Halla, Ssangyong and LG; profitability — Samsung, LG, Lotte, Hanbo and Hanjin; activeness — Samsung, Hyundai, Sunkyong, LG, Hyosung.

"The analysis has shown that sales ranking of the business groups are one thing and their managerial efficiency based on financial statements are another," it said.

From a slightly different perspective of the report, meanwhile, Hyundai Group produced the biggest added value of the 30 groups, excluding those from financial service sectors.

The 30 leading conglomerates produced a combined added value of 36.18 trillion won last year, up 22.2 percent from the 29.05 trillion won in 1993. Their portion of the nation's gross national product also rose from 13.8 percent to 14.8 percent over the cited period, according to the report.

Hyundai accounted for 16.5 percent of the 30 groups's added value production, followed by Samsung's 16.0 percent and LG's 11.7 percent, Daewoo's 8.9 percent and Hanjin's 5.7 percent.

Together, the five conglomerates produced 21.2 trillion won worth of added value, or 58.8 percent of the 30 groups' total, it said.

Brunei, Malaysia & Sinapore

Malaysia

Mahathir Orders Peacekeepers To Avoid Gorazde

BK1808072595 Kuala Lumpur THE STAR in English 18 Aug 95

[Report by Paul Gabriel and Adlina Wahab — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia has ordered its peacekeepers in Bosnia-Herzegovina to stay away from the Gorazde enclave to prevent them from being used as "human shields" by Serb forces.

Prime Minister Datuk Sri Dr. Mahathir Mohamad said he believed that this was the reason for the UN appeal to Malaysia and other Organisation of Islamic Conference (OIC) nations to send a token force each to Gorazde.

"We do not know what the (UN) mission is, but the likelihood is the Serbs may use the soldiers as shields against Bosnian attacks.

"We will not be trapped. We have already given orders to our troops that under no circumstance must they allow themselves to be captured by the Serbs," he told reporters after opening a conference at the Institute of Islamic Understanding here.

Dr. Mahathir said he based his suspicion on the UN condition that Malaysian troops sent to Gorazde should not be heavily armed.

The prime minister said that until the UN clarified the mission in Gorazde, Malaysian troops would stay away from the enclave.

Gorazde, the last of the three eastern enclaves still in government control, was among six towns designated "safe areas" by the United Nations in 1993.

Meanwhile, Defence Minister Datuk Syed Hamid Albar said the government may consider the UN's request for participation in the Gorazde mission on condition that:

— troops from participating countries are allowed to deploy a battalion each with the firepower and mobility to match their Western counterparts;

— the UN guarantees UN Protection Force [Unprofor] and the Rapid Reaction Force assistance for OIC forces in the event of attacks from Serbs; and

— the UN and Unprofor guarantees "an open line of communication" to Gorazde to ensure a continuous supply line to the enclave.

Reportage on U.S. GSP Withdrawal Decision

Minister Rules Out Appeal

BK1708125395 Kuala Lumpur THE STAR in English 17 Aug 95

[Report by Hah Foong Lian and Jacqueline Ann Surin — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The Government will not appeal against the United States decision to phase Malaysia out of the Generalised System of Preferences (GSP) programme by January 1, 1997, Foreign Minister Datuk Haji Abdullah Ahmad Badawi said.

He said the Government was confident that local products were of high quality to withstand open market competition and the Cabinet had decided not to appeal against the decision.

US Trade Representative Mickey Kantor had announced that he would recommend that the US President "graduate" Malaysia from trade preference under GSP.

In citing Malaysia's "extraordinary economic success" as the yardstick for the move, Kantor said Malaysia no longer required preferential tariff treatment to stay competitive in the US market.

Last year, Malaysia was the top beneficiary of the GSP programme accounting for 28 per cent of total GSP imports from all 145 beneficiary countries. In just over a year, Malaysia's exports of GSP products increased 66 per cent to US$5 billion.

The GSP programme grants duty-free access for imports of over 4,000 selected items from developing countries and expired on July 31.

Abdullah said the 1997 deadline would give the country enough time to prepare for any eventualities.

International Trade and Industry Minister Datuk Sri Rafidah Aziz described the US move as "unfair" as Malaysia had yet to achieve a per capita income of US$8,000 a year — the yardstick used in upgrading a country.

"Malaysia's per capita income is only US$3,440 a year. We haven't even achieved half the amount," she told reporters upon her arrival from Bogota yesterday.

However, she said the Government had been informed of the US inclination to revoke Malaysia's status under the GSP because of the budget deficit faced by the US.

"We hope that other countries which accord us similar privileges will not use this move by the US as a precedent to withdraw their preferential systems from us."

Federation of Malaysian Manufacturers executive director Tan Keok Yin said the announcement was not unexpected.

"We have been forewarned that it would only be a matter of time before Malaysia lost its eligibility," he said.

"There is enough time for industries to take the necessary steps to increase productivity, cost efficiency and quality to have a competitive edge."

Mahathir Questions Decision

BK1808083695 Kuala Lumpur THE STAR in English 18 Aug 95

[Report by Paul Gabriel and Chandrasekaran — via internet]

[FBIS Transcribed Text] Kuala Lumpur — The United States' reasons for phasing out Malaysia's GSP [Generalized System of Preferences] status is not genuine, Prime Minister Datuk Sri Dr Mahathir Mohamed said yesterday.

The Prime Minister said if Malaysia's economy had indeed reached a stage where the status was no longer required, "we would be able to fight anyone."

"I am not so sure. If it is genuine (the US' reason), we would be able to fight anyone," he said after opening a conference on The Government in the Plural Society organised by the Institute of Islamic Understanding (Ikim) here.

Dr Mahathir was asked to comment on US Trade Representative Mickey Kantor's statement that Malaysia's "extraordinary economic success" was the yardstick for the US move.

Kantor had said Malaysia no longer required preferential treatment to stay competitive in the US market, adding that he would recommend that the US President "graduate" Malaysia from trade preference under GSP.

Foreign Minister Datuk Abdullah Ahmad Badawi had announced on Wednesday the Cabinet's decision not to appeal against the move to phase Malaysia out of the GSP programme by Jan 1, 1997.

Dr Mahathir said Malaysia may be subjected to all sorts of obligations and pressure (from the US) if it appealed, adding that Malaysians must prepare to face non-preferential treatment "by raising our productivity level."

The Prime Minister said Malaysia's trade with the US was bound to decrease with the move.

"If we know that somebody wants to use their market as a means to pressure us, then we must move and find other alternatives," he said.

To a question, Dr Mahathir said he did not know whether the US action was to counter Malaysia's firm stand on several international issues such as the Bosnian war.

Meanwhile, Abdullah said in Kangar that Malaysians needed to work extra hard and compete with other nations as the country has only two years before the GSP status was withdrawn.

"We have to show to the world that even though we do not have the privilege of enjoying GSP status, our goods are of high quality to compete with those produced by the developed countries," he said.

"Only then we will have a competitive edge over the others in the world market."

As such, all must pull up their socks and take up the challenge to produce high quality products, he said at the Sekolah Menengah Kuala Perlis [Kuala Perlis Secondary School] speech and prize-giving day here yesterday.

"When the US has set a date to phase Malaysia out of the GSP status, they cannot change the date as they like," Abdullah said.

He said if the US decides to withdraw the status before the set date, Malaysia would seek a clarification.

Commentary Views Position

BK1708140395 Kuala Lumpur Voice of Malaysia in English 0810 GMT 17 Aug 95

[Station commentary]

[FBIS Transcribed Text] Even though Malaysia regrets the decision by the Clinton administration to propose the withdrawal of the Generalized System of Preferences, GSP, accorded to it by the United States by 1 January 1997, it will not appeal against it. This is because Malaysia feels that it had reached a high level of capability and this is acknowledged by the Americans themselves.

According to the United States, Malaysia had been successful in the fields of development, business, and trade. The United States Tuesday announced the complete phase out of Malaysia from its duty-free program by 1 January 1997 citing the country's extraordinary economic success.

Malaysia's economy had proven that it had a high competitive edge on par with countries which were no longer accorded GSP status. The United States Administration stated that Malaysia had graduated because the GSP is an aid system given at a stage when countries are considered to less competitive in obtaining good markets to enable their goods to be exported to the United States.

Towards this end, Prime Minister Datuk Sri Dr. Mahathir had always cautioned Malaysian businessmen to be prepared for the day when the status would be withdrawn. This is only true as Malaysia had able to [word indistinct] and to step up trade activities through its competitive edge. Malaysia obtained GSP status in 1971. The program is aimed at helping developing countries compete in U.S. markets with imports from more developed economies. If need be Malaysia can still appeal against the proposals on the basis that it has yet to reach the criteria for mandatory graduation. This is because the GSP legislation provides that beneficiary countries, which had obtained a per capita income of U.S.$8,000 per annum of the Gross National Product, GNP, be gradually tailed out but Malaysia's per capita income is only at U.S.$3,440 now. Also, the United States claimed that Malaysia has achieved a high economic level on at par with other former recipients such as Hong Kong, South Korea, Singapore and Taiwan — thus a [word indistinct] for their GSPs were withdrawn when their per capita income had reached U.S.$8,000 benchmark.

However, the GSP withdrawal by the United States could also be seen as a blessing in disguise for Malaysia as it could act as a catalyst for its citizens to develop the country's industries to make it self-reliant and competitive in the open market. As such, it is hoped that the other countries which accord the GSP status to Malaysia will use the United States move as a precedent to withdraw all trade privileges from Malaysia. But with the current situation, it is vital for the private sector to pull up its socks and beef up its global competitiveness through greater productivity, cost efficiency and better quality so as to continue to penetrate the international market, including the American market.

In addition, all parties are confident that the withdrawal of the GSP will not have any effect on U.S. investments in Malaysia. This was confirmed by the United States Administration which said that the withdrawal does not mean that it will reduce investment activities in Malaysia. However, Malaysia is always prepared for any kind of eventuality.

Cambodia

Rangsi Petition Collects 39,000 Endorsements

BK1808114395 Hong Kong AFP in English 1129 GMT 18 Aug 95

[FBIS Transcribed Text] Phnom Penh, Aug 18 (AFP) — Cambodia's former finance minister Sam Rangsi, who was expelled from parliament in June, has collected thumbprints from 39,000 supporters in a petition for his reinstatement.

The office of the outspoken critic of government corruption on Friday delivered to AFP photocopies of more than 39,000 thumbprints collected from voters in his constituency.

The package of petitions weighing about 5 kilograms (11 pounds) was entitled "39,122 thumbprints of voters in Siem Reap Province expressing their support to their MP Sam Rangsi."

It was unclear if similar packages had been delivered to other news agencies.

Sam Rangsi, a senior member of the royalist FUNCINPEC [National united Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party who had been a close confidant of First Prime Minister Prince Norodom Ranariddh, ran afoul of the prince after repeatedly criticizing the government for alleged corruption.

He was removed from his cabinet post in October and expelled from the party in May.

The party then succeeded in having him expelled from parliament arguing that Cambodian law required MPs to be members of a political party.

Sam Rangsi has obtained support for his reinstatement from foreign parliamentarians, human rights groups and international political organizations who say his expulsion is undemocratic and possibly violates the Cambodian constitution.

Rangsi is currently out of the country and could not be reached for comment.

Government Rejects Negotiations With Khmer Rouge

BK1808060395 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 18 Aug 95 pp 1, 2

["Communique of the Royal Government of the Kingdom of Cambodia"]

[FBIS Translated Text] A few days ago, leaders of the rebels, formerly known as the Khmer Rouge, had repeatedly announced through their clandestine radio their so-called "negotiation" with the Royal Government.

This is a new and perfidious trick of the rebel leaders. It aims to hide their defeats and confuse national and international opinion, while the Royal Government of Cambodia [RGC] restores and develops the country.

The RGC would like again to inform compatriots and the international community that no negotiations whatsoever will be held in any place and at any time between the RGC — the legitimate national government born of the people's will expressed through the elections — and the leaders of the rebels who have been outlawed by the National Assembly since 7 July 1994.

At present, small numbers of the rebel forces hiding in the jungle and along the border are carrying out banditry, destroying the lives and property of innocent people as well as national property.

Legally, the rebels have no right to set up any administrative system, including their so-called "provisional government", in whatever form. Therefore, there is no reason for the Royal Government to negotiate with the leaders of the genocidal rebels.

However, the RGC still holds the door open for the rebel group's officers and soldiers who are preparing to or have already laid down their arms and returned to live with the Royal Government and national society, like all other innocent Cambodians, in line with the lofty and kindness-filled idea and the clemency of His Majesty King Norodom Sihanouk Varaman of the Kingdom of Cambodia. If the rebel leaders want to join Cambodian politics, they should dissolve their organization politically and militarily and return to join national society by respecting and correctly implementing the KoC constitution.

The RGC would like to take this opportunity to appeal to the officers, soldiers, and all compatriots living under the temporary control of the intransigent rebel leaders as it has repeatedly done, that they should quickly find ways to return to national society.

Issue in Phnom Penh on 15 August 1995

[Signed] First Prime Minister Norodom Ranariddh; Second Prime Minister Hun Sen

Khmer Rouge Issues 'Communique' on Alliance

BK1708144595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 16 Aug 95

["Communique" issued by an unidentified Democratic Kampuchea spokesman on 16 August; place not given — read by announcer]

[FBIS Translated Text] 1. It was reported that the vile and odious hirelings of the communist Vietnamese and the alliance—like Ben Kiernan and Michael Kirby, whose hands are stained with the blood of the Cambodian nation and people—are coming to stage a farcical conference in an attempt to whitewash their crimes as war criminals.

2. Democratic Kampuchea [DK], like the whole nation and people, does not want to engage in any parley with those elements. This is because the Cambodian nation and people, the countries in this region, and the people in Third World countries are well aware of their extremely vile nature, of their being the mercenaries of the world's war criminals. Despite their all-out efforts, they can never turn themselves into prosecutors. It is the Cambodian nation and people and the DK that are the prosecutors. The Cambodian nation and people have already sentenced them as war criminals. They cannot avoid their extremely criminal offenses.

3. The communist Vietnamese have been sentenced by the Cambodian nation and people as the arch war criminals and exterminators of the Cambodian race. They have pursued a policy to exterminate the Cambodian race and to massacre the Cambodian people in a premeditated and systematic manner. They have implemented and are continuing to implement this extremely criminal policy in a premeditated and systematic manner using all forms and means.

How did they massacre the Cambodian people when they sent hundreds of thousands of troops to invade and occupy Cambodia at the end of 1978? The people fleeing from war by the hundreds of thousands — women, children, and the aging alike — were run over by Vietnamese tanks and shot to death like beasts in many areas, such as at Neak Luong, Leach, Phnum Kravanh, and Stoeng Metoek. There were corpses and bones spread about on the earth everywhere. The Cambodian people's blood was soaking and flowing into streams and rivers everywhere. These are the undeniable evidences attesting to the communist Vietnamese's arch genocidal crimes against the Cambodian race.

In addition, how many Cambodians did their abject K-5 corvee kill along the western border of Cambodia? Moreover, how many Cambodians did the communist Vietnamese kill through their demographic war and man-made famine?

Nearly 6 million Cambodian people are currently suffering from starvation because of the genocidal policy that the communist Vietnamese are implementing in a systematic manner.

These arch genocidal crimes that communist Vietnam has committed against the Cambodian race have been seen and experienced personally by the entire Cambodian nation and people. These crimes have fired up a powerful national and racial hatred among the Cambodian people. This hatred will never be forgotten and will remain for generations to come.

4. As for the U.S.-Australian-French alliance, it is the arch criminal, arch murderer, whose crimes are proven by countless numbers of documents in the hands of the Cambodian people.

How many Cambodian people did the U.S. imperialists kill with toxic chemicals and with bombing raids by B-52's before the 1970 coup d'etat and in the 1970-75 U.S. war of aggression after that?

The United States, Australia, France, and UNTAC [UN Transitional Authority in Cambodia] have destroyed the Paris agreements, maintained the communist Vietnamese aggressor forces in Cambodia, brought the two-heads together, and joined with communist Vietnam and the two-heads in continuing to kindle the communist Vietnamese war until today — causing countless deaths among the Cambodian people and plunging them into grave misery, great destruction, and endless starvation.

What are these barbarous and evil acts? Are they not heinous war crimes? Are they not the arch criminal genocide against mankind?

Heaps of documents piled up like hills are irrefutable, clear evidence against the United States, Australia, and France.

5. The patriots are the DK and the entire Cambodian nation and people, who have struggled and are striving to surmount all obstacles in the struggle against the communist Vietnamese aggressors' strategy to prevent them from annexing Cambodia. They have been able to defend the Cambodian nation and race until today. They attacked the strategies and schemes of UNTAC and the alliance to prevent them from smashing the national resistance forces and from offering Cambodia on a tray to communist Vietnam. They attacked and inflicted stinking defeats on the strategy of the communist Vietnamese and the alliance, which prematurely gave birth to the two-heads to serve as a smokescreen to deceive national and international public opinions.

For this reason, the Cambodian nation and people and DK continue to stand tall, displaying their most lofty heroism. They most firmly believe that since they have struggled—with a great sense of responsibility for the fate of the nation, people, and race—and have been able to defend their nation and race for more than 16 to 17 years, they will certainly be able to defend and forever maintain their nation, people, and race from now on.

[dated] 16 August 1995

[signed] DK spokesman

Indonesia

Government Voices 'Displeasure' on Flag Burning

BK1708135695 Jakarta ANTARA in Indonesian 1204 GMT 17 Aug 95

[FBIS Translated Text] Jakarta, 17 August (ANTARA) — General Edi Sudrajat, defense and security minister, said the Indonesian Government has expressed its displeasure over the burning of an Indonesian flag in Darwin, Australia, on Wednesday (16 August).

"The government has voiced its displeasure, and our diplomatic mission will present our statement to the Australian Government," said Edi Sudrajat after he commissioned a monument in memory of [independence fighter] Mas Isman in Jakarta Thursday. The minister refused to give further details when reporters asked him about the new flag-burning incident.

Speaking on the same occasion, Lieutenant General Suyono, chief of the General Staff of the Armed Forces of the Republic of Indonesia [ABRI], said a report from the Indonesian defense attache in Australia said that eight white Australians had burned the flag.

"The flag burning was done by individuals who wanted to see the Indonesian Government as the bad guy, despite Australian Prime Minister Paul Keating's praise for Indonesia," he said.

Lt. Gen. Suyono expressed hope that the incident, perpetrated by a handful of malicious people, will not strain bilateral strains.

"The ashes of the burned flag were put into an envelope with handwritings that insult us and describe us as militaristic, brutal, and corrupt. This kind of thing was done by those with malicious minds, not by the Australian people. So we should not generalize," he said.

Suyono said the Indonesian people see flag burning as a national insult, even though Australian law states that flag burning is neither an illegal nor a criminal act because a flag can be made out of underwear.

"In our country, we shed our blood to protect our flag. A flag is a highly revered object," he said.

Suyono believes, however, that the incident will not strain bilateral ties, especially ties between the two countries' armed forces.

"Relations between ABRI and its Australian counterpart are technical in nature, so there is no problem. The

ABRI commander is even scheduled to visit Australia," he said.

Reporters asked Suyono whether there is any special directive by the ABRI commander following the flag burning incident, and Suyono said no.

Youths Picket Embassy, Burn Australian Flags

BK1808044495 Hong Kong AFP in English 0436 GMT 18 Aug 95

[FBIS Transcribed Text] JAKARTA, (AFP) August 18 — Several Indonesian youth groups Friday held a demonstration at the Australian embassy and burnt the Australian flag, in retaliation for a recent a series of Indonesian flag-burning incidents in Australia.

Some 50 members of the Komite Nasional Pemuda Indonesia (KNPI), a government-backed umbrella youth organization, burned two Australian flags, one on a pole in front of the embassy and another on the busy road in front of it.

Yelling "Merdeka" (freedom) and anti-Australian slogans, the demonstrators picketed the front of the embassy and some stayed perched on top of the embassy's entrance gate.

More than 25 members of a local military command and scores of plainclothes police officers present at the site made no attempt to stop the demonstrators.

Suharto Delivers National Day Speech

BK1708142695 Jakarta TVRI Television Network in Indonesian 0350 GMT 16 Aug 95

[Speech by Indonesian President Suharto on the 50th Anniversary of the Republic of Indonesia at the House of Representatives in Jakarta on 16 August — live]

[FBIS Translated Text] In the name of God Almighty! Honorable speaker, deputy speakers, and members of the House of Representatives, happy invitees, and my fellow countrymen! Peace be upon you!

Tomorrow morning, on 17 August, all Indonesian people will, God willing, commemorate the anniversary of their independence. The current commemoration is of special significance because our independent nation will be 50 years old tomorrow. The event will be commemorated throughout the year. The atmosphere of the commemoration of the sacred day of our nation is felt everywhere, in every corner of our vast motherland, remote places, villages, and small and large towns. All people are commemorating this great event in their respective ways. The motherland looks beautiful and elegant because it has been embellished by its sons and daughters. At night, decorative lights sparkle brightly throughout the nation. Indonesia really resembles an emerald in the equator. [applause]

We have struggled and worked hard for 50 years with ups and downs. We can rejoice this year. Being a strongly religious nation, we all kneel down and express our deepest gratitude to God Almighty. We believe that we have stood as an independent, united, and sovereign nation thanks to His grace. Let us manifest our gratitude in our determination to maintain all that we have achieved! Let us strengthen everything that is already good! Let us improve anything that is not yet good! Let us correct our errors! Let us make adjustments and be prepared to take advantage of new open opportunities, and overcome new challenges that lie ahead of us.

The day before 17 August 1995, let us look back and recall momentarily our experience after we declared our independence 50 years ago and simultaneously look forward to the 21st century! The new century is not too far away, just five years from now. We have felt that the world will be characterized by rapid changes in the new century primarily due to scientific and technological progress and the flow of information that knows no boundaries. Whether we like it or not, and whether we are ready or not, we will become part of a new era of mankind. We must be well prepared for it. If we are not prepared for it, we will be further left behind by progress. Our reflection has become more special because we have enjoyed national stability, a more even welfare, and economic growth for three decades — the longest ever since we declared our independence. We need to deepen, broaden, enrich, and refresh our vision about our future, as mandated by Pancasila and the 1945 Constitution. On the one hand, we see the current situation as the fruit of our past national journey and struggle. On the other hand, we see the current situation critically enabling us to achieve our aspirations. Apart from being thankful for and proud of our achievements, we are also open to reforms and corrections. Indeed, a strong nation is one that is willing to continuously reform itself.

Honorable speaker and session! We experienced a war for independence, a revolution, and armed conflicts in the first 20 years of our independence. We did everything to protect the unitary Republic of Indonesia from various internal and external threats and dangers. The threats and dangers came from the colonialists who tried to colonize us once again, and from the extreme right and left. During the 20-year period, we suffered setbacks in various fields, particularly the economic field. Nevertheless, our experience in the first 20 years became the most valuable asset for our national survival. The most valuable asset was an awareness of national unity and cohesion on the basis of Pancasila. Like other nations, we had to pass the independence war and revolution before entering an era of development. Indeed, we totally corrected previous errors. However, there was no break from the past when we entered the development era. We regard development as a continuation of our independence war and revolution. We want to achieve the noble objectives of our national struggle through development.

Accordingly, we have affirmed that our development is a manifestation of Pancasila. When we entered the development era, we still felt old wounds that stemmed from disputes over the nation's ideology. We thank God because we finally agreed to make Pancasila the only ideology in our social, national, and state life following a long national dialogue, a deep reflection, and thanks to our common wisdom. We have, thus, ruled out a possible reemergence of ideological issues which are basic for our nation. The then political structure, which was inherited from the past, had weak points. Thanks to common patience and awareness, we finally managed to simplify our political structure and reduce the number of sociopolitical forces to three. Simultaneously, we used the ABRI [Armed Forces of the Republic of Indonesia] as a stabilizing and dynamic force under the concept of dual functions to support the implementation of development that could no longer be delayed. We continue to refresh national stability. We hold general elections every five years. We also continue to develop democratic life in a responsible manner, and human rights, as mandated by our constitution. Accordingly, we have enjoyed national stability and smooth development — the longest since we declared our independence. We are determined to continue our common journey. We are well prepared for the future. We are aware that we will face greater challenges in the future. The history of nations has taught us that it took decades or even generations to achieve great things. Building a nation is a very great task. Obviously, the task must be carried out with perseverance and patience and from one generation to another. Only nations capable of continuing and broadening the nation's building process, and making reforms and corrections will succeed in achieving great things.

The future development of our nation will be carried out amidst a fast-changing global situation that is full of uncertainty. Our free and active political policy handed down by our founders from the very beginning of independence serves our national interest. We are happy that our national interest has been in line with justice and respect for human interests since the very beginning. The 1945 Constitution mandated that the Indonesian nation should observe the world order based on independence, eternal peace, and social justice.

In the early years of the post-independence period, our diplomacy was carried out hand-in-hand with armed struggle, such that our proclaimed independence finally received international recognition. The long journey of our foreign policy has, among other things, been marked by: the convening of the Afro-Asian conference, which signalled the future birth of the Nonaligned Movement, NAM; the struggle to bring back West Irian Jaya to be part of the Republic of Indonesia; the creation of ASEAN; the struggle for the creation of an archipelagic state and international recognition of the principle of an archipelagic state at the United Nations Conference on the Law of the Sea; the comprehensive and just settlement of the Cambodian issue; Indonesia's appointment as chairman of NAM; Indonesia being chosen as the host of the Asia Pacific Economic Cooperation, APEC, leaders conference in 1994; and Indonesia's appointment as a nonpermanent member of the UN Security Council in 1995. As the chairman of NAM, Indonesia has reactivated South-South and North-South cooperation through various fora.

Faced with global development that is full of uncertainty, on the one hand, we continue our efforts to create peace and expand our national development. On the other, we try to make ourselves be least affected by the disadvantages of the development programs.

Fellow countrymen, development is something created by human beings full of limitations and weaknesses. Our development is not short of limitations, weaknesses, faults, and side effects that we wish to avoid. We are fully aware of this, but we also have an excuse to feel grateful and proud of the development progress achieved thus far.

After carrying out development programs for a quarter of a century, we have been successful in achieving high economic growth, enabling us to distribute the development achievements equally among the people. Our national development achievements are now increasing and expanding.

We had limited knowledge of the statistics of various situations in the country when we started our development programs 25 years ago. We just developed in stages over the last 25 years a modern and reliable information system and statistics, and we continue to update them. However, based on much of the data available, we are able to know the history of our national development.

From 1960 to 1965, the people's per capita income declined by an average of -10.1 percent. The national economy grew only at an average of 2 percent, while the population increased rapidly by an average of 2.1 per year. Following a stabilization and rehabilitation drive by the New Order Government, economic growth reached an average of 6 percent between 1966-1968.

Under the first 25-year long-term development master plan, our economic growth reached an average of about 7 percent annually. In 1969, the beginning of the first five-year development plan, per capita income was U.S. $70. At that time, Indonesia was considered one of the poorest country in the world. Twenty-five years later, our per capita income increased to about $920. Now Indonesia is considered a country with a middle income level, even though it is still in the lower middle income group.

For a densely populated country like Indonesia, the achievement in this struggle is not a trivial matter. The international community looks at Indonesia's national development as one of the most successful. The high economic growth is accompanied by a more stable economy. Between 1961 and 1965, the inflation rate was above 250 percent. The inflation rate was highest in 1966, about 650 percent. Upon entry into the decades of the 1980's and 1990's, inflation could be controlled to about below 10 percent. We had managed to improve per capita income. It was due to, among other things, our ability to control population growth. Since we launched the national family planning program, the rate of population growth continued to decline from year to year. In the last year of the first 25-year long-term development master plan, population growth was below 1.07 percent.

The policy on the distribution of population through a transmigration program and the rapid development in the districts outside Java Island have slowed population growth on the island. In 1961, 65 percent of the Indonesian population were found on the islands of Java and Madura where, as of 1990, the number declined to 60 percent.

Economic growth has created wide job opportunities. Between 1971 and 1994, 44.4 million new jobs were created, and this outnumbered the total population of several countries in the world.

Agricultural development has improved farmers' living standards and simultaneously fulfilled the basic needs of the people. In 1984, Indonesia achieved rice self-sufficiency, which means that we have been successful in achieving one of the main targets of our development and of the first 25-year long-term development master plan. We should firmly maintain rice self-sufficiency. In other words, in addition to diversifying the cultivation of food crops, we can import and export rice from time to time.

Our principle is, on the one hand, that we must make sure that there are enough rice supplies to meet consumer demand and control prices. On the other hand, we have to protect the general interests of the farmers so that their standard of living will continue to improve. With this, national development has not only spurred growth but has also improved the welfare of the growing population throughout the country.

Due to this, the number of people living in poverty has declined sharply. There were 60 poor out of 100 Indonesians in the 1970's. In 1993, the number of poor people fell to 14 of 100 Indonesians. Due to our huge population, the number of unfortunate people is also large — about 26 million. The successful economic growth that we mentioned earlier had been supported by the great improvement in the industrial sector, especially the manufacturing sector.

Generally, under the first long-term development master plan, manufacturing sector production increased by an average of 12 percent annually. With such a pattern of growth, Indonesia's economy becomes more stable and balanced as it enters the 50th anniversary of independence. Even though at the early stage of development implementation, manufacturing industries could only contribute one-tenth to national production and the agricultural sector more than half of the total amount, the contribution from manufacturing industries was much bigger than that of the agricultural sector at the beginning of 1990.

Indonesia is becoming less dependent on oil and gas for its economy. In early 1980's, the oil and gas sector contributed about one-fourth of national production. Currently, the contribution from this sector has declined to only 1/10th. The exports of non-oil and non-gas commodities increased tremendously. With this, the structure of Indonesia's foreign exchange earnings became more balanced. In 1968, export earnings received from non-oil and non-gas commodities was only about half of $500 million. In the early years of the sixth five-year development plan, however, non-oil and non-gas exports reached about $32 billion. With this development, national exports of non-oil and non-gas commodities increased rapidly. At the end of the third five-year development plan, non-oil and non-gas exports contributed only about one-fourth of national exports, but it has more than three quarters now.

We have more variety of goods for export, and their market has expanded. Meanwhile, there is an outstanding little change in domestic revenue. Domestic earnings from non-oil and non-gas commodities have increased greatly until the amount far exceeded domestic revenue from oil and gas. As we enter the 1980's, domestic revenue from non-oil and non-gas sources was less than 30 percent of the total domestic earnings. In the first year of the sixth five-year development plan, however, the amount increased to about 80 percent.

The increase in exports of non-oil and non-gas commodities, and the income contributed to the government's domestic earnings have strengthened the structures of the balance of payments and national expenditures respectively. This reflects the increasingly important roles of the people, the business circle, and the development programs.

Even though the government continues to increase its investment commitments, there are far more investment projects carried out by local and foreign businessmen. At the beginning of the sixth five-year development plan, the government's investment was only one-quarter of the total investment in the country, where as the government owned more than half of the total investment until the second five-year development plan.

The stability of the national economic structure is also reflected in the improvement and expansion of basic facilities such as the roads network, ports, electricity supply, telecommunications, and the like. The network of roads and electricity supply are accessible to all villages throughout the country. This is significant progress because the availability of basic facilities becomes the platform that supports the development of a modern and dynamic economy.

Economic progress has elevated the people's quality of life and welfare. When we first achieved our independence, life expectancy was estimated at an average of about 42 years. Twenty-five years later, it increased to 46. Now our life expectancy is 63 years. The health standard of the people has also improved. This is the outcome of economic progress, in addition to a good public health service that is being intensified and made available to those in the rural areas. It is also due to a better way of life, housing environment, healthier settlement area, and good nutrition.

In the early decades after we achieved independence, on average, each person had about 1,880 kilocalories of energy daily. That person's energy intake increased to 2,035 kilocalories daily at the beginning of the first 25-year long-term development master plan. In 1994, each person's energy intake was 2,933 kilocalories daily. In the first 25 years of the independence period, available protein for the people increased slightly from 42 grams to 43 grams. Twenty five-years later, there is about 67.1 grams for every person daily. Good nutrition is clearly seen through the physique of the younger generation of Indonesian children. The physiques of people born before or at the time of the revolutionary struggle for independence are relatively small and short.

We now observe that our children's physiques have become more muscular and robust. In general, our younger generation's physical condition has greatly improved compared with that of their parents [applause]. As we witness daily, children's weight — recordings of which were taken in 1978 and 1992 — indicate that there was an average increase of approximately half a kilogram, while their heights have also increased by an average of 2.3 cm [applause]. The height measurements taken on thousands of children who were enrolled in numerous elementary schools in 1994 showed that male children's average height was 114.9 cm, while the average height of female children was recorded at 114 cm. Compared with measurements taken in 1964, the average height of male children who enrolled in elementary schools in 1994 increased by approximately 1.4 centimeters, while the average height of female students increased by 1.2 cm [applause].

Apart from an adequate food supply, the consumption of vitamins has also increased. Similarly, the people's income has also increased. Our standard of education has also risen. The six-year mandatory educational program initiated in 1984 has reached its target before the end of the first long-term development master plan. This was mainly due to the development of facilities for elementary schools through the presidential financial allocation for elementary schools. When we became independent, the illiteracy rate among persons aged 16 to 25 in Java stood at approximately 70 percent. At the beginning of the first long-term development master plan, illiteracy among children aged 10 years and above was successfully reduced to only 39 percent. With intensive efforts, we were able to further reduce the illiteracy rate to only 16 percent in 1990. As such, the standard and quality of education rapidly increased.

Apart from the improvement achieved in the health and education sectors, stress was also placed on religion. The community supported such an endeavor with great enthusiasm, which brought about a more disciplined society and, in general, improved the Indonesian people's quality of life. Such progress was equally savored by all, particularly among women. The increasing role of women can be mostly observed through their participation in the educational, health, and employment sectors. The illiteracy rate among females aged 10 years and above rapidly decreased—that is, from 50 percent in 1971 to only 21 percent in 1990. The decrease was more compared with the rate among males, which went from 28 percent to 10.5 percent. The number of female students in schools, particularly in elementary schools, is comparable to the number of their male counterparts in such schools. The number of female students in high schools is currently also increasing.

In connection with health issues, life expectancy among women, which was previously only 48.5 years at the beginning of the first long-term development master plan, rose to 64.5 years by the end of the last five-year development program [applause].

It can be seen that women's roles in the employment sector has been continuously increasing. In 1980, their participation was only recorded at 33.3 percent; however, their participation in the employment sector increased to 39 percent in 1990. The women's work force increased by 4.5 percent. Such a rate was faster compared to that of their male counterparts, which was only 3 percent.

Global developments have not always assisted us in our efforts to further develop. We were continuously jolted by uncertain global economic conditions. There was a period when prices of oil and other primary commodities fell sharply. In fact, oil and primary commodities were our two major exports items. The series of recessions and global monetary downings greatly affected our budding economy. Due to our hard work and with Almighty God's blessings, we were able to safely surmount all these problems. We were not weakened by anything. On the other hand, we emerged stronger due to such a situation. We were able to learn numerous lessons and experiences from disasters and calamities, despite facing numerous adversities. As such, we must effortlessly find ways to avoid undergoing such adversities again.

We were inspired to develop our non-oil sector due to the decline of oil prices. We were also inspired to develop highly competitive industries for our primary commodities as a result of global recession and the declining prices of primary commodities. This was our effort toward penetrating international markets.

We must have the confidence and the capability to take advantage of all available opportunities in the ever open and challenging global economies in the globalization era. We have learned numerous valuable lessons from our own and other experiences. Our nation is growing stronger and could possibly withstand any diversity. We have been successful in establishing a stronger national resilience. All this happened because we were willing to learn from past experiences. We have not turned a blind eye to shortfalls. We are ready to admit our faults and are willing to rectify them.

The spirit of reform, which is the most basic value of development, has been instilled within our people. With such a spirit, we will face the ever changing world with a critical and realistic attitude. We do not want to be tossed about by global waves of uncertainties, and we should be able to steer clear of eventualities and protect ourselves from such eventualities. As such, we have never lost our values and sense of direction, regardless of whatever situation we may be in. In fact, we must be able to adjust ourselves to every development. By doing so, our nation will continue its journey and will not be affected by any eventuality.

Fellow countrymen! We will renew our determination to continue our development by depending on our own strength. Self-development is comparably important as the development of our people's equitable progress and well-being. Such a development can only be carried out by highly qualified persons. As such, we have agreed that the important stress should be given to economic development and our human resources in carrying out our national development. We are now at the start of the second long-term development master plan, commencing with the sixth five-year development plan. We have set definite targets for the next five years, even for the next 25 years. We must work hard to ensure that we can quadruple our per capita income within the 25-year period. The increased per capita income will be the result of our efforts made over the past 25 years.

Our per capita income had trebled previously. The world regarded such an achievement as astonishing for a densely populated country such as Indonesia. We have been working hard in an effort to absolutely eradicate poverty before the end of the second long-term development master plan. By its end, Indonesian children should have received at least nine years of education, eight out of 10 youths should have received secondary education, and one out of every four youths eligible for higher education should have received education at tertiary level.

The provision of health services and improved nutrition will increase life expectancy to approximately 71 years. Economic growth and qualitative human resources will transform Indonesia as a progressive industrialized country and a strong trading country by the end of the second long-term development master plan. We have planned toward that direction since the launch of the first long- term development master plan and, in particular, during the previous two five-year development plans. We have laid a strong basic economic foundation during the previous five-year development plans. During the fourth five-year development plan, we launched a series of economic reforms through a series of deregulation and bureaucratization packages. In particular, our economy surged upward during the fifth five-year development plan through such endeavors and coupled with the wise and careful management of our macroeconomy.

When we began planning our sixth five-year development plan, our economic growth rate was even faster than we had expected. We only acknowledged this after finalizing our national income accounts.

There is a need to review and take into account the rapid reforms of our social economic activities. In such considerations, the basic annual prices and the national income figures from 1983 to 1993 need to be included — the latter of which forms the final year of the first long-term development master plan. More allocations have to be made toward supporting the economic activities that were previously left behind. A credible method of accounting needs to be carried out. The national income figures will only be correct through a credible accounting method. The accounting for the first basic year before 1983 was only done in 1973. We should make comparisons of all accounts over a 10-year period.

Accounting was carried out based on 1993 prices during the fifth five-year development plan, and it was clear that our economy grew rapidly at an average rate of 8.3 percent annually. This figure is much higher compared with the account made based on the 1993 figures, which was 6.9 percent. During all of 1994, our accounts grew by 7.3 percent.

The industrialization process also continued rapidly beyond our expectations. In 1994, the first year of the second long-term development master plan, production industries performance increased by 23.9 percent, while the agriculture production sector decreased to 17.4 percent. This change indicated that the our improved industrial structure moved at a faster pace than we had previously planned.

According to a reviewed program, the industrial sector's production was expected to increase to 24.1 percent at the beginning of the first sixth five-year development plan, while the agriculture sector's production was expected to reach only 17.6 percent. All these changes will definitely not affect changes that we are facing daily. However, these changes clearly indicated that our economic order has improved, and we should reconsider to make more developments in accordance with the objectives of the sixth five-year development plan.

As an example, by the end of the sixth five-year development plan, the amount of per capita income for Indonesians should reach a target of U.S.$1,020. We should review our target because in 1994 alone, our per capita income was already at U.S.$919. The objective of the sixth five-year development plan could possibly be achieved within a year or two. The projected 6.2-percent economic growth for the sixth five-year development plan was considered as too low given that fact that the average economic growth rate in the fifth five-year development plan stood at 8.3 percent and 7.3 percent in 1994. We could become complacent, uninspired to work harder, become less efficient and less productive as a result of such a low target. We have no desire to slacken our efforts in achieving our desired goals. On the other hand, we should be working harder and with greater aspiration toward achieving more and more rapid development in the future.

We need not make modifications to the existing sixth five-year development plan because the programs laid down in it had already been correctly placed after lengthy discussions. Such programs were already agreed upon by the House of Representatives. We can possibly make greater achievements beyond our expectations in carrying out the sixth five-year development plan. Such achievements could be considered as an added objective.

By working harder and exerting greater efforts, we hope to achieve an average economic growth of 7.1 percent annually during the sixth five-year development plan. With such an economic growth rate, our nominal per capita income could possibly reach U.S.$1,080 by the end of the sixth five-year development plan. God willing, by such time we could possibly become one of the newly industrialized nations.

Simultaneously, a greater amount of investment is needed to achieve such economic growth, and investments amounting to about 815 trillion rupiah are needed for the sixth five-year development plan, compared with 660 trillion rupiah as was previously considered. The people, including the private national business sectors and their foreign counterparts, are expected to contribute some 77 percent of the investments. Such a figure is not impossible because the number of investments in the fifth five-year development plan was higher and beyond our expectation. The number of investments at the beginning of the sixth five-year development plan was also beyond expectation.

The average 7.1-percent annual growth will be lower than the average annual growth during the fifth five-year development plan. However, the target is already high enough, and we will not find it easy to achieve the target because we will have to simultaneously control the inflation rate and maintain the soundness of our balance of payments. Motivated by our high spirit during the first long-term development master plan, we will do our best to achieve the target.

Honorable session! The industrial sector's share in the rapidly growing economy will increase to over 25 percent of GNP at the end of the sixth five-year development plan. The industrial sector will become the motor of our economy in the future. Accordingly, I will talk more about industrial development. Industrialization means the transformation of an agrarian society into an industrial one. The role of the industrial sector will further increase in terms of national production and job creation. The industrial sector has the power to create added value through the exploitation of resources in an economic way and simultaneously to contribute strongly to the development of other sectors.

Growing income in Indonesia, which has a large population, will lead to huge potential demand for industrial products. Our GNP will total about U.S. $260 billion by the end of the sixth five-year development plan. Such an economy will create a strong market for industrial products. Accordingly, we should not allow our market to get out of our control. We must turn our market into a force to contribute further to industrialization. We will not resort to import restrictions, but citizens must give priority to products of their own nation.

We do not oppose the inevitable trends toward an open economic system in the world. We must instead take advantage of the trends. We have initiated the open economic system within the framework of the WTO [World Trade Organization], APEC [Asia Pacific Economic Cooperation], and AFTA [ASEAN Free Trade Area]. Anyway, world markets are far larger than our own market. Exports have become and will continue to become the catalyst for industrial growth in our country. We must have a higher degree of competitiveness, efficiency, and productivity to increase our exports. There will be no other way. Basically, industries are developed by business circles. The government's duties are to guide industries and to create a climate conducive to their development.

The development of certain industries must be spurred. They are:

1. Industries that are of strategic importance to the country and people, such as land, sea, and air transport. Our vast archipelago clearly needs huge transport facilities. The development of industries supportive of agriculture, such as those producing fertilizers and agricultural equipment, and industries that meet the demands of many people, such as those producing food, cement, fertilizers, paper, and raw materials for clothing must also be spurred.

2. Export industries that have good export markets or the potential to grow and in which we have a competitive edge. We must maintain the competitiveness of the export-oriented industries and increase their added value. We must further expand our export commodities and diversify their markets.

3. Industries that use natural resources such as agriculture in a broad sense, mining, and human resources. We must develop our huge human and natural resources to produce the highest possible added value. Natural resources must be economically utilized while preserving the environment. Industries that employ many Indonesian workers must be spurred. The skills of the workers must be enhanced to increase the productivity and promote the welfare of the workers themselves.

4. Industries that have a strategic value in the development and mastery of technology and that contribute to the development of other industries. Such industries as engineering and machinery, and industries producing components are important and must be seriously developed. Industries that utilize biotechnology in various fields must also be seriously developed. We already have high-technology strategic industries such as industries producing land, sea, and air transport facilities, the steel industry, and the electronics industry. Our strategic industries have been rapidly developed. We now are proud and have a greater degree of self-confidence because we have managed to fully produce various types of aircraft, ships, and trains. [applause]

5. Industries that can spur economic activities in regions outside Java, particularly the eastern part of Indonesia. Due to limited infrastructure, these regions are less attractive than more developed regions in terms of human resources and infrastructure. Accordingly, industrial development in backward regions, particularly those in the eastern part of Indonesia must receive special attention and handling. [applause]

We must give high priority to these industries. Our support for them can no longer be in the form of protection. We will instead provide them with various facilities. For example, procedures for issuing permits will be eased, and other forms of support that are not against the basic development policy will be extended to them. Industrial development cannot be undertaken by the industrial sector itself. Industrial development must be supported by sectors that produce raw materials and build infrastructure, trade, services, government institutions, funds, education and training, and science and technology.

Industrialization is a cultural process. Accordingly, we must develop an industrial culture among the people, which includes hard work, thrift, prudence, responsibility, discipline, the preciousness of time, and the determination to produce the best.

Honorable session! The world is now moving toward the era of global free trade. This means that goods, services, capital, information technology, and labor will move from one country or part of the world to another without any obstacle. By that time, we must already have a really efficient industry based on technology that we have fully mastered. As such, our industries will serve as an engine of economic growth, expand job opportunities, and increase public income in an equitable manner. By that time, our industrial structure should be strong, while a good balance should be maintained between the upstream and downstream industries, between one industrial sector and the other, between one region and the other, and also among big, medium, and small industries.

Our natural resources, which we will preserve carefully, will become the raw materials for our industries. Our labor force will consist of workers who are strongly motivated and highly productive. We will continue to preserve our environment to enable our nation to carry out our development forever. Our mastery of technology has become the basis of our national industry in processing our natural resources. At a time when we mark the 50th anniversary of our independence and when we are entering the takeoff stage, our nation's sons and daughters are also beginning to master sophisticated technology. Such a mastery of technology is a result of hard work and perseverance by thousands of Indonesian young men and women. We view the mastery of sophisticated technology by Indonesia's younger generation as the compassionate God's blessings, and we are fully grateful for it.

Six days ago, the Indonesian people witnessed the maiden flight of the N-250 Gatotkaca aircraft. This aircraft, with the latest high-tech equipment, was designed and manufactured by Indonesia's sons and daughters. The 50-seat aircraft will be further developed to become a 75-seat plane. Our young experts are now designing the prototype of a 130-seat jet aircraft. These various types of aircraft will not only meet domestic needs but will also be produced for export to meet international market demands [applause].

Honorable audience! During the country's revolutionary struggle, Indonesia's youths were in the forefront in gaining and safeguarding our independence. They belong to the 1945 generation, or the generation of liberators. Now, 50 years later, in the era of physical and mental development, when our nation is entering the stage of developmental takeoff, Indonesia's youths are again in the forefront in gaining and mastering sophisticated technology. They belong to the generation that continues the struggle in the era of peace and development. They are once again in the forefront as heroes of development [applause].

Honorable audience! We who belong to the 1945 generation or the generation of liberators, who helped establish and safeguard the republic and witnessed the sacrifice of our comrade in arms as fallen heroes, can now feel the deepest peace of mind. We are convinced that this nation's future lies in the hands of this young, capable, and responsible generation [applause].

I would like to extend my sincere appreciation to all members of this young generation throughout the country, who are now diligently working in all fields for the glory of their country, the greatness of their nation, the independence of their community, and the welfare of their people. With such human resources, we hope our national economy will achieve the takeoff stage in the current second long-term development master plan. With our growing confidence in our own ability, God willing, we will be able to continue our national development and catch up with other countries that have earlier enjoyed the fruits of their development.

Honorable session! Whatever development we implement, the ultimate goal is social justice for all Indonesian people, or prosperity for the people in the widest sense. For this reason, we must ensure that the economic development process, which depends on massive industrial development, will not create a gap and will instead offer greater opportunities for the people to take part in national development. We can improve public welfare only with people-based development. Therefore, it is imperative to develop small- and medium-size businesses in our industrial development because they have strategic value and involve public participation. As such, democratic elements also exist in our national development.

Small- and medium-size industries can also absorb a lot of manpower because they are flexible and can easily adopt themselves to change.

The existence of solid small and medium-size industries will also make our industrial structure stronger. We have established numerous small and medium-size industries thus far, and we must safeguard their existence by providing skill and management training programs, entrepreneurship, proper mastery of technology, capital assistance, and marketing. No less important is the partnership between these small and medium-sized businesses and big businesses in a mutually beneficial manner.

We must also promote cooperatives, despite the progress we have made. What we have achieved is still far from what the 1945 Constitution envisages. Therefore, we must pay more attention to the promotion of cooperatives so they can serve as an effective vehicle for the country's economy. In an increasingly open and competitive economy, it is clearly not easy to do that, but we must face this challenge to ensure that not a single Indonesian national is left behind in our fast-moving and dynamic economic growth. We carry out development for our people, and the ultimate goal is to realize social justice for everyone. It is true that our journey is still long, and we have not reached our destination; however, we must continue travelling toward that end.

The government and the national business sector must continue to uphold the message of the people's struggle. Individual initiatives are indeed encouraged in our economic system, but this does not mean that our system is unsupervised and uncontrolled. Our means of control is through the Pancasila ideology and the 1945 Constitution. Therefore, we must individually and collectively exercise self-restraint. We have agreed to adopt the Eka Prasetya Panca Karsa, which serves as the essence of the Guideline to the Understanding and Practice of the Pancasila ideology. We must also be able to complete our great task of eradicating poverty, and we have made great strides in this area. The task is still unfinished, and we must work hard to eradicate poverty as early as possible in order to realize social justice.

Fellow countrymen! Such is our journey as a nation for the last 50 years. Now we know where we are in the course of history. When we travel a long journey, we sometimes need to take a break and look back at where we started 50 years ago. We have crossed many valleys, hills, and mountains. There are times when we feel tired due to the hot sunshine, but there are also times when we enjoy the cool breeze. We know we are moving along the right track, and our efforts are not wasted.

We have carried the heavy burden together. This is our strength as a nation and country. This concept of nationalism indeed transcends an ideology based on group, tribal, racial, religious, and cultural interests. Let us turn Indonesia into a melting pot where everyone is happy to live!

On the eve of our independence anniversary, let us remind ourselves of what past national heroes have done for us by visiting their cemeteries. We know that all Indonesians from all regions, tribes, groups, and religions have made their contribution and sacrifice. We must pay our highest respects and deepest gratitude to our ancestors, the founding fathers of this republic, those who sacrificed their lives in the liberation war, and also to our unsung heroes. Let us continue our journey as a nation and approach our noble objectives!

The first national awakening started at the beginning of this century and led us to an independent Indonesia. Now, at the end of this century, we are entering the second national awakening and the takeoff development stage. We have shown the world that we are a nation capable of developing our country. This fact has become a value-added attribute to our successes. We have self-confidence but not arrogance. May the almighty God always bless our nation's next journey! Thank you. May peace be upon you!

Suharto Criticized at Youth Group Rally

BK1708131795 Hong Kong AFP in English 1309 GMT 17 Aug 95

[FBIS Transcribed Text] Jakarta, Aug 17 (AFP) — More than 1,000 people attended a 50th anniversary independence day ceremony here Thursday that criticised President Suharto's government and called for his replacement in 1998.

The event was held at the Jakarta park where Indonesia's founding leader Sukarno, who was replaced by Suharto, declared the country's independence from Dutch rule 50 years ago.

Many opponents of Suharto attended the rally organised by 40 youth groups. But Sukarno's daughter, Megawati Sukarnoputri, chairman of the opposition Indonesian Democratic Party, did not turn up.

"We have to elect a new president in 1998," said former parlimentarian Sri Bintang Pamungkas, who is being questioned by the government over involvement in demonstrations when Suharto visited Germany in April.

Suharto's current term ends in 1998. The 74-year-old, who took effective power from Sukarno in 1966, and later became president, is currently serving his sixth consecutive five-year-term.

In a statement, the youth groups demanded that presidents be limited to two terms. The Indonesian constitution only states that a president can be re-elected after serving a five-year term.

The statement criticized Suharto's 28-year-old New Order government for failing to keep promises to work for fair political and economic development.

"What we are expressing now is exactly like the corrections that the New Order made to the Old Order," the statement said.

It said development had only benefitted a small elite group and their close associates.

The business dealings of the children of leading officials was also criticized by the youth groups as "posing difficulties to the condition of economic democracy in Indonesia."

The peaceful gathering, which featured pro-democracy plays and poetry, was cut short by organizers after one hour. They said they would rather end early than "be forced to close down" by "people who disapprove of this event."

Hundreds of youths, brandishing banners questioning freedom and democracy, marched to the nearby Legal Aid Foundation headquarters before dispersing.

The main official ceremony saw 17,000 people — including all top ranking officials, military officers, diplomats as well as independence war veterans — at the presidential palace to mark the 50th anniversary.

Suharto, himself a veteran of the independence war, presided over an official flag hoisting at the Merdeka palace.

Many veterans of the conflict against the Dutch looked back with pride at the four-year guerrilla conflict.

"We are proud we took part in making our country independent and rank it on the same level with other nations," said Pireno, a member of a student regiment that fought to change the country's name from Dutch East Indies.

But official mentions and images of Sukarno were noticable by their absence.

"No matter what people say, Sukarno is the father of our nation. We are truly offended and disappointed that he's not given due respect," said Jaya, a veteran of the West Java student regiment at the veterans' gathering.

There have been a month of events leading up to Thursday's anniversary.

Most shops were closed and the streets of Jakarta filled with uniformed students and civil servants heading for various ceremonies.

What is being called the "Mother of all Parties" will be held Saturday when a giant firework display in the National Square will be followed by a banquet for more than 400,000 people.

Philippines

Ramos Departs for New Zealand, Australia

BK1608022195 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 15 Aug 95

[FBIS Translated Text] President Ramos and his delegation are expected to arrive at Auckland this morning to start his eight day visit to New Zealand and Australia. The plane which boarded the presidential party left last night [15 August] before 7:00 PM [1300 GMT], 40 minutes behind schedule. The president had a cold and sore throat on departure. The plane left 40 minutes late because of a change of plane after a fuel leak was discovered in the DC10 plane that was to fly the president.

The one-on-one meeting between President Ramos and New Zealand Prime Minister Jim Bolger is expected to take place today. The president's visit aims to expand bilateral relations between the Philippines, New Zealand, and Australia. The president is expected to call for government assistance in the involvement of several Australians in sex tours in the Philippines.

[Begin Ramos recording, in English] It is reported out here that the majority of the so-called sex market operators are Filipinos and the drive is just relentless against them as they are against others. [passage omitted on correspondent follow-up questions; end recording]

Meanwhile, the police has been placed on red alert upon the departure of the president. PNP [Philippine National Police] Chief Recarido Sarmiento has placed Camp Crame and Metro Manila under tight security.

On President Ramos' recent trip, Senator Ernesto Maceda commented that it is the 17th foreign trip which President Ramos took since he has been in office.

[Begin Maceda recording in progress; passages in italics in English] ..*Auckland, the capital of New Zealand and to Canberra and maybe Sydney*, but if you include Darwin, Brisbane Wellington, it's just like taking a trip to the Philippines in Puerto Princesa, Tawi-tawi, Puga Island...*Why?* [end recording]

Ramos Terms Visit to New Zealand Successful

BK1808025495 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 17 Aug 95

[FBIS Translated Text] President Ramos is now in the second and last day of his visit to New Zealand. President Ramos declared his state visit a big success based on the promise by New Zealand officials to widen their market for Philippine products. President Ramos has also signed three joint venture agreements. Here is the report:

[Begin recording] [Unidentified correspondent] Mission accomplished — this is what President Ramos declared on the last day of his two-day state visit to New Zealand. According to the president, Prime Minister James Bolger personally assured him that they will give priority to the entry of Philippine products to balance the trade gap. For the current year, the trade gap is at $45 million in favor of New Zealand.

President Ramos likewise called on Auckland businessmen to invest in the Philippines. According to the president, the Philippines could export industrial and consumer goods, processed food, and plywood.

[Ramos, in English] New Zealand investments and technological expertise can still be a very big player in the Philippines. Agriculture, food, and forest-based industries, for example, are listed in our current investment priority plan. Hence, these activities are eligible for incentives.

We are fully aware of the fact that New Zealand possesses advanced knowledge and technology for the development of the Philippine dairy industry, which we have given priority under new laws and policies.

[Unidentified correspondent] In response, New Zealand Minister for Trade Negotiations Philip Burdon said he will visit the Philippines soon. Minister Burdon plans to bring a big business delegation to Manila.

Three joint venture agreements worth $300 million were signed between the Philippines and New Zealand. They are: the building of low-cost housing and an entertainment center in Metro Manila by Philippine (Am Trust) Management and Pacific Development Corporation; the construction of six production facilities for (tread-press) building components and electric power utility posts for the rural areas, to be built by (Edson's) Industries and First Industries for Auckland; the building of fast boats for the military and police. The third agreement was signed by Mindanao Shipbuilding Corporation and Sensation Yachts of New Zealand.

President Ramos is scheduled to begin his six-day visit to Australia starting with Sydney. [end recording]

Thailand

Drug Suspect Sought by U.S. Requests Bail

BK1808032595 Bangkok BANGKOK POST in English 18 Aug 95 p 3

[FBIS Transcribed Text] Former Chat Thai MP Thanong Siriprichaphong who was recently ordered by the Criminal Court to be extradited to the United States to stand trial on drug trafficking charges and was detained pending a decision by the Appeals Court, has submitted another request for bail.

The former Nakhon Phanom MP is wanted by the US on charges of smuggling 49 tons of marijuana to that country between 1973 and 1987.

The Criminal Court on July 17 ordered that he be extradited to the US. Mr Thanong on July 31 submitted a request for bail after lodging an appeal with the Appeals Court. His first bail request was rejected.

Chingchai Topradit, Mr Thanong's lawyer, on Wednesday submitted another request seeking temporary release for Mr Thanong and also placed a bank account worth five million baht with the Bank of Ayutthaya as guarantee for bail.

Chawalit on Burmese Ties, Killing of Seamen

BK1808034395 Bangkok BANGKOK POST in English 18 Aug 95 pp 1, 3

[FBIS Transcribed Text] Thailand should not jump to the conclusion that the killing of Burmese seamen was premeditated by a mastermind as this could deepen the rift in Thai-Burmese relations, warned Deputy Prime Minister Gen Chawalit Yongchaiyut yesterday.

The New Aspiration Party leader made the statement to counter the Ranong provincial governor's suspicion that last week's murder of a number of Burmese crewmen may have been more complex than it appeared, believing it was planned beforehand.

Gen Chawalit said the investigation into the murder would soon uncover the facts behind the case which has hurt relations between Thailand and Burma. It is feared that the murder problem may also cost Thailand dearly in terms of mutual fishing interests with Burma.

It has been alleged that a group of at least 11 Thai fishermen killed four Burmese crewmen on board the formers' vessel owned by the Narong Canning Co. According to an earlier report by the Burmese embassy, the violation of a fishing agreement had sparked a disagreement between the Thai fishermen and Burmese workers which led to the brutal murder, said to have taken place off Burma's Kawthaung, also known as Victoria Point.

So far, traffic between border passes in Ranong and Victoria Point has been suspended. Senior Interior Ministry officials and local authorities have been assigned to work virtually around the clock to probe the murder incident and find the suspects to show Burma that Thailand has no intention of turning a blind eye to the case.

Gen Chawalit, during his official visit to Burma next month, will pass on a message from Prime Minister Banhan Sinlapa-acha regarding the controversial murder case to the leader of the Burmese government. Mr Banhan's message to Burma is seen as an immediate measure to prevent any further possible damage to relations between the two countries.

Gen Chawalit said the authorities of both countries have set up their own working groups to carry out investigations into the murder. He repeated that Burma and Thailand still enjoyed a close relationship, adding both countries have always been sincere in their attempts to solve problems together.

As the border passes in Ranong remain closed it is impossible to travel into Burma at this time. He made light of a report that Burmese fishermen may seek revenge by attacking Thai citizens travelling into Burma, saying the people of both countries have always maintained a mutual understanding and a warm relationship.

Burma is waiting to see how Thailand settles the murder problem, said Gen Chawalit, adding "the wrongdoers must be arrested and face drastic legal action." The suspects, if convicted of the murder, could face death sentences.

The deputy prime minister proposed that the fishing agreement between both countries be adjusted to force Thai companies fishing in Burmese waters to transport their catches to a Burmese port so the share of marine animals can be determined based on the agreement's conditions. The agreement requires Thai companies to distribute part of their catches to their Burmese partners.

It is often the case that Thai fishing companies unload a large proportion of their fish catches onto small boats which then race back to a Thai port without being inspected by the Burmese authorities first. This is unfair for the Burmese companies as only a small proportion of the catches are left for them.

Gen Chawalit also encouraged businessmen to look for further investment opportunities in Burma. Burma wants to attract more foreign investment in fish meal and ice production.

"Burma is reaching out for our help to develop the country and we should show them our sincerity," said the deputy prime minister.

He was confident that the Burmese government would not use the murder case as a pretext to bargain for advantages over Thailand during his official visit there next month. The meeting's agenda is based on the relationship at the national level and everyday happenings are not likely to affect the discussions.

Army Commander-in-Chief Gen Wimon Wongwanit condemned the Thai fishermen who allegedly breached the fishing agreement, saying this indicated that some Thai businessmen only concentrated on gaining short term benefits.

Greater efforts must be made to check on those working in the fishing industry. The Thai authorities must ensure justice for the Burmese fishermen caught up in the murder incident.

Assistant Army Commander-in-Chief Chettha Thanacharo said the problem would not worsen. A senior Burmese army official told him during a telephone conversation that Burma was well aware of Thailand's efforts to solve the murder case.

Former Foreign Minister Surin Phitsuwan sympathised with the Government on the matter, saying the murder problem was a complicated one. He expressed disappointment that the Foreign Ministry was often the last agency to step in to oversee border problems.

"So, it is necessary to give moral support and be sympathetic towards both the Government and Foreign Ministry which must keep finding solutions to all the various problems. Let us hope the (murder) problem does not become any worse than it already is," said the Democrat Party executive.

He said he did not believe the border wrangle would develop into a major diplomatic rift requiring mediation by a third country. Bilateral negotiations would be sufficient to settle the on-going problems between the two countries.

The personal relationship between Gen Chawalit and SLORC [State Law and Order Restoration Council] leaders may help reduce the tension along the border to a certain degree, Mr Surin said, cautioning, however, that personal contact would not be effective in permanently ending the international row.

Everything must adhere to the process of formal diplomatic protocol, he said.

Minister on Plan To Improve 'Sour' Burmese Ties

BK1808063795 Bangkok THE NATION in English 18 Aug 95 p A3

[FBIS Transcribed Text] Foreign Minister M.R. Kasemsamoson Kasemsi yesterday proposed a four-step approach for the government to mend Thailand's soured relations with Burma.

Defence Minister Chawalit Yongchaiyut's scheduled September 1-2 visit to Burma is part of the first step: intensifying high-level contacts between the two countries.

Kasemsamoson outlined the plan during a meeting of Thai ambassadors and counsellors posted overseas.

However, Kasemsamoson said he has no immediate plans to visit Burma because he is waiting for the result of Chawalit's trip.

He warned against expectations that the defence minister's visit alone would resolve all problems between the two countries and improve the strained bilateral ties.

"Let us jump the hurdle of a major approach (towards Burma) first and then small matters can be easily managed," he said.

Thailand must also prove its sincerity in following its policy on Burma, he said. In this case the government must make further efforts to convince Narong Canning Co and other fishing firms to strictly adhere to agreements they reached with Burma.

Burmese fisherman working aboard a Narong Co trawler were attacked and several were killed by Thais during an incident last week.

Slorc's [State Law and Order Restoration Council] termination of fishing contracts with Narong was well understood, he said. "Once the principle of the (fishing) agreement was breached, the Burmese government had the right to terminate the contract."

Moreover, the two countries should promptly find effective means to resolve or quell any rising problems, Kasemsamoson said.

Lastly, any cooperation between the two countries should be based on mutual respect and benefit sharing, he added.

The foreign minister said the current fishing problem is a small matter considering each country's larger share of interest. "Both Thailand and Burma envisioned a long-term interest in cooperating with each other under the 10-nation Southeast Asian Community," said Kasemsamoson.

Kasemsamoson told the Thai diplomats that Thailand's "constructive engagement" policy with Burma is aimed at addressing the interests of all people in both countries, not those of any particular groups.

Meanwhile, Prime Minister Banhan Sinlapa-acha said yesterday that last week's trawler attack was committed by a small self-interest group but its consequences have adversely affected the majority.

He said Burma's intense naval patrol was a precautionary measure to prevent illegal fishing by Thai vessels. Thailand will have to discourage Thai fishermen from territorial transgression and illegal activities in Burma.

ASEAN Patent Office Proposal Resubmitted

BK1808045595 Bangkok BANGKOK POST in English 18 Aug 95 p 30

[Report by Somphon Thapanachai]

[FBIS Transcribed Text] Thailand will resubmit a proposal for ASEAN to set up central patent and trademark registration offices, say senior officials of the Thai Intellectual Property Department.

The proposal would be part of a package expanding ASEAN economic cooperation and, if approved, would be announced officially during the ASEAN summit in Bangkok in December.

It was first discussed several months ago by an ASEAN committee looking at cooperation in intellectual property rights. Committee members initially rejected the idea, arguing some members were not ready.

However, when senior officials responsible for economic policy met in Jakarta earlier this month, they were dissatisfied with the draft agreement on intellectual property rights that the committee eventually submitted.

The report shown only possible cooperation in the form of agreements in exchange of information and human resources, which the senior officials said was too vague.

They instructed the committee to propose something more ambitious.

Thailand chairs the intellectual property committee. Wirawit Wiraworawit, director of the Technical and Planning Division, said the committee would meet next week to prepare a more meaningful package.

Mr Wirawit said concrete cooperation could come in the form of an intellectual property centre to be the sole Organisation to accept the registration of patents and trademarks of every ASEAN country.

The two registration offices — one for trademarks and the other for patents — could be established in different countries, depending on the readiness of each member.

He said Thailand needed to be the member of the Paris Convention for the Protection of Industrial Property and the associated Patent Cooperation Treaty before the ASEAN summit in order to prepare for regional cooperation.

In ASEAN, only Vietnam and Singapore are signatories of the Paris Convention and cooperation treaty. There are 135 members now.

In order to comply with the international conventions Thailand must amend Patent and Trademark Law to allow every signatory to the convention to enjoy the same rights in Thailand as Thais, Mr Wirawit said.

The existing law grants patent protection only to nationals of countries who reciprocate by granting the same rights to Thais.

Copyright Act Boosts Foreign Music Market

BK1808053495 Bangkok BANGKOK POST in English 18 Aug 95 p 30

[Report by Chirachari Chaimusik and Ratiya Ruangsuwan]

[FBIS Transcribed Excerpt] Five months after Thailand's new Copyright Act became effective, its repercussions are already being felt in the foreign music market, according to Uraiwan Suwachanakon, a group product manager of MGA [expansion unknown].

Pirated copies are becoming harder to obtain, and consumers are turning to licensed tapes and compact discs.

The market for licensed foreign music cassettes and CDs is growing more rapidly than in the past, said Ms Uraiwan.

The new copyright act was a welcome boost for licensed distributors as market constraints placed by an overabundance of pirated copies ease.

PolyGram's foreign music sales jumped about 20 percent after the copyright act went into effect, said Chonchai Thonghpaithun of Far East Bangkok Enterprises, PolyGram's agent in Thailand.

Ms Uraiwan agreed, saying the market for licensed music could increase by as much as 100 percent per year.

A source at Sony Music (Thailand) said as the market for foreign music expands, competition was heightening. The Thai market is receiving more serious interest from international labels, particularly from Europe.

Before the Copyright Act came into effect, the usual marketing strategy was to bring artists to Thailand for concerts. Now, the strategy is shifting towards direct promotion of albums.

Licensed cassettes, laser discs and CDs generate three billion baht annually in Thailand, according to an executive of Grammy Entertainment.

Sales of Thai music lead the market with a 65 percent share, Thai country music holds 20 percent, foreign music controls 10 percent and the remaining 5 percent is taken by other music.

Despite speculation that CD prices may decrease in the future, Mr Chonchai said this was improbable considering costly licensing fees. Licence fees vary from artist to artist.

Foreign music tapes are generally priced at around 85-95 baht each while CDs cost about 350-450 baht each.

The purchasing power of certain consumers, such as teenagers, is limited. But they remain a highly targeted group in the music industry. Despite monetary constraints the teenage group has a high demand for products and are vulnerable to media influence. [passage omitted]

Diplomats Urged To Promote National Interests

BK1808062595 Bangkok THE NATION in English 18 Aug 95 p A3

[FBIS Transcribed Text] Diplomats have been advised to be more aggressive and more versatile in seeking a competitive edge for Thai products in the rapidly changing world market.

Foreign Minister M.R. Kasemsamoson Kasemsi urged a gathering of 59 Thai ambassadors and 18 counsellors yesterday to reshape their strategies.

Diplomats should not act as mere "salesmen", but should know how to attract substantial foreign investment and the transfer of technology from abroad to Thailand, based on the principle of mutual benefit.

"It should not be just a one-way approach. There should be more interaction in order to promote Thai interests in competing for international trade and investment," he said.

Kasemsamoson was chairing the first gathering of Thai diplomats and counsellors from posts worldwide, called to discuss international economic trends and foreign policy direction, at the Regent Hotel.

The three-day meeting is the first of its kind. The ministry previously held annual meetings of diplomats, on a region-by-region basis.

In his opening speech, Kasemsamoson said the timing of the meeting was appropriate because Thailand was about to participate in a series of international forums, starting with the 5th Asean Summit in Bangkok in December, then a meeting of the 10 Southeast Asian heads of government and the Asia-Europe meeting, expected to occur early next year.

Kasemsamoson said the gathering was a good opportunity for diplomats to explain their thoughts on issues and make recommendations on future foreign strategy.

It was also high time they were given a clear explanation of the new government's policy.

"I urged them (diplomats) to have the vision to adjust their roles. They should consider matters with a long-term outlook," the minister later told reporters.

"More often than not, diplomats are so obsessed with their responsibilities in their region that they ignore other regions. The meeting will be a good chance for them to develop a perception of inter-relationship, so as to take full advantage of the changing world environment."

Kasemsamoson said diplomacy should now place an equal emphasis on promoting Thai interests in all regions. The centre of economic development now spanned Europe and North America, East Asia and the Asia-Pacific region.

"We should be prepared to cope with this new reality," he said.

The opening session was followed by a discussion of key foreign policy issues and the development of diplomatic strategies to meet the government's policies.

"The session focused on developing a clear pattern of thinking on Thai foreign policy vis-a-vis the changing international setting, before going into details of each problem confronting the country," said Foreign Ministry spokesman Suwit Simasakun.

Suwit said the Foreign Minister urged participants to consider how diplomats could adjust their roles to support a plan to reduce the timeframe for the implementation of the Asean Free Trade Area from the year 2003 to 2000, to intensify the government's export-oriented policies and to help the private sector hone its competitive edge.

"Thailand should grasp this moment, when there is an overwhelming political trend across the world toward economic co-operation," Kasemsamoson told them.

In the past, the implementation of international economic policy had lacked political will. As a result Thailand had taken a defensive role in resolving problems without any clear direction how to proceed, the minister told diplomats.

According to Suwit, Kasemsamoson said Thailand should make use of the current political environment, which was conducive to advancing the national economic interest.

The minister had also urged diplomats to have a vision for future political and cultural co-operation within Asean, and suggested they strongly consider his proposal to establish an Asean council.

King Blasts 'Political' Approach to Traffic Issue

BK1808031795 Bangkok BANGKOK POST in English 18 Aug 95 pp 1, 3

[FBIS Transcribed Text] Two ruling coalition parties came under strong criticism from His Majesty the King yesterday over their approach towards solving Bangkok's traffic gridlock.

Solving traffic problems through "political means" will never work because what is really needed is strong co-operation and coordination among all parties concerned, His Majesty said.

In rare but straightforward royal remarks, His Majesty King said he realised his comments may draw anger but he reserved his constitutional right, as a Thai citizen, to freedom of speech.

He is prepared for any legal consequences in exercising this right, His Majesty said.

Addressing a gathering of 77 foreign-based Thai ambassadors and consuls-general who were granted a royal audience at Chitlada Palace yesterday evening, His Majesty was apparently referring to the Phalang Tham and Prachakon Thai parties which have been assigned by Prime Minister Banhan Sinlapa-acha to jointly oversee alleviation of the traffic problem for Bangkok and its outlying areas.

The two parties, one handling traffic in the inner city and the other in suburban Bangkok, are focusing only on making traffic flow better in their own areas of responsibility, His Majesty said.

As for traffic which is trying to get in from suburban areas and out of the city more easily, neither party gives "a service" on this part, His Majesty commented .

Without naming names, His Majesty pointed out that the leaders of both parties are working in their own separate ways.

"This is like a boat or a bucket. They try not to let the water get into the boat or to allow the water to leak out of the bucket," he said.

"Both parties are like the bucket and the boat. Their leaders talk, talk, talk and then end up having differences."

Phalang Tham leader Thaksin Chinnawat is overseeing traffic solutions in inner Bangkok and Prachakon Thai leader Samak Sunthorawet is responsible for solving the problems in suburban areas.

Both of them are deputy prime ministers in the Banhan Sinlapa-acha Government.

His Majesty said the ministers concerned might be angry at him for touching on politics. But he said that as a Thai, he has the right and freedom under the Constitution to "speak".

"I have upheld my right and freedom under the Constitution in saying that.

"If anyone wants to charge me, he can. Try making allegations and I'll listen to them," His Majesty said.

He said it is not possible to solve traffic problems or other national problems through political means even after the political system is reformed.

"No matter how politics is reformed, that cannot help. We need to join hands in solving the problems."

His Majesty said that traffic congestion has become a big problem and that it has already been turned into a political issue.

Traffic problems were identified as causes which have discouraged foreign investors and tourists from coming to Thailand .

But he said he did not want to comment on the reluctance of investors and tourists to visit the country although that may, in fact, have worked for the good of Thailand.

"To invest here means to come to take advantage of us. It may be good that fewer come. This is a problem that I don't want to criticise.

"Tourists also do not want to come because of bad traffic. Having many tourists come here may not be good either. But I will not criticise."

He said traffic became a big problem because it caused people to have to spend two to 10 hours on the streets.

His Majesty told about a man who complained to him early this week that he had to spend six hours travelling from his house to another point which was not far and blamed a royally-initiated project to solve traffic problems as having been the major cause.

He said he defended his project as helping traffic to keep moving.

On some streets, cars can move at a speed of 80 or 90 or 100 kilometres per hour while on other streets the speed is zero kilometres per hour.

"That is not a proper traffic flow," His Majesty said.

He said that traffic which can move at 10 kilometres per hour is considered good enough if it means that people reach their destinations in one hour.

Being able to speed at 80 kilometres per hour can lead to an accident which, after the road is blocked, will reduce the speed to 0 kilometres, he said .

His projects aim to get the traffic going, but not at 0 kilometres or 100 kilometres per hour.

Although he mostly stays in the palace, His Majesty said he has always kept in touch with the traffic situation through information technology as well as from radio, aerial survey reports, newspapers and from the people themselves.

His Majesty said he did not consider that people who own many cars are making the traffic worsen.

"Some have 20-30 cars. But they alone cannot drive 10 cars at one time because they have only two arms and two legs"

Having several U-turns on a street also causes problems because buses will have to take three lanes to make a U-turn thus blocking the traffic flow, His Majesty said.

Limiting personal cars and encouraging people to use buses also may not help.

"No one can make it to his destination as the bus will be busy making a U-turn," His Majesty said.

Organising traffic into effective two-way and one-way systems and building roads that will accommodate heavy trucks to travel from one province to another without having to enter Bangkok are measures to alleviate the congestion, according to His Majesty.

Vietnam

Chamber of Commerce Seeks To Open U.S. Office

BK1808090995 Hanoi VIETNAM INVESTMENT REVIEW in English 24-30 Jul 95 p 4

[Unattributed article: "Trade Chambers Closer to Gaining Recognition"]

[FBIS Transcribed Text] Trade groups from both Vietnam and the United States are pushing to gain an official foothold in each others country, a week after President Bill Clinton fully normalised diplomatic relations.

The Vietnam Chamber of Commerce and Industry (VCCI) hopes to open a representative office in the States maybe later this year.

The VCCI's counterpart, the proposed American Chamber of Commerce (AmCham), which has so far operated on an informal basis is hoping to gain official recognition from the Vietnamese Government, more than a year after it set up chapters in Hanoi and Ho Chi Minh City.

VCCI's office in the States will open by early next year at the very latest, according to Pham Chi Lan, general secretary at VCCI.

Exactly where will likely be a toss-up between Los Angeles, Washington DC, Seattle and San Francisco — a front runner on account of its pairing last year as a twin city with Ho Chi Minh City. The details will be finalised in August.

"Present conditions are of a fast-growing relationship between Vietnam and America. The need for establishing an official Vietnamese commercial office in America is really urgent. We have already planned for it and now relations have been normalised it is the right time for us to go," Lan said.

A week after Clinton restored full diplomatic ties with Vietnam, AmCham is still waiting for official approval. It has been operating without legal status since it was set up in May 1994, holding meetings for its 226 members.

"I believe we will get recognition," Al DeMatteis, chairman of AmCham's Hanoi chapter said. "However I certainly cannot forecast when."

Both the Hanoi and Ho Chi Minh City chapters have written to the Prime Minister's Office as well as other ministries lobbying for recognition. Lan said AmCham's delay was due to Vietnam not having any legal stipulations on the establishment and operation of foreign associations in the country.

A local diplomatic source said the hold-up was not due to the normalisation of relations between the two countries. "It's simply a new matter in Vietnam," the source said.

Once VCCI gains approval to open its office in the States, it will establish and strengthen its cooperative relations with US major counterparts like the US Chamber of Commerce, the US-Vietnam Trade Council, the US-ASEAN Council for Business and Technology, the National Foreign Trade Council, the National Association of Manufacturers as well as other associations and local chambers in the States.

Main duties of VCCI's office will be to provide information to both Vietnamese and American businessmen about the business and investment environment of each side, to carry out business promotional activities and, if possible, to provide some services that Vietnamese and American businesses may require. Lan said there would be strategic reasons for a VCCI office being set up on the west coast.

"We will have a commercial councilor or attache in Washington after opening the Vietnamese Embassy there so we think it's good to have our office at the other side of America. In addition, California has a tradition of strong relations with the Asia and Vietnam and it has such a big Vietnamese community there," she said.

At present, besides major business associations and institutions in Washington D.C, VCCI has ties with California-based Chamber of Commerce, Economic Commissions and California South East Asia Business Council (CalSEA). A number of similar organisations in other states also have set up their ties with VCCI even before the lifting of the embargo.

According to Lan, several Vietnamese companies are considering the possibility of opening their representative offices in the United States. VCCI is encouraging them to coordinate to ensure the efficiency of the first Vietnamese business to be represented there.

Do Muoi Receives Lao Interior Minister

BK1708101495 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 12 Aug 95

[FBIS Translated Text] On 11 August, Comrade Asang Laoli, Politburo member of the Lao People's Revolutionary Party and minister of the interior, currently on a visit to Vietnam, paid a courtesy call on party General Secretary Do Muoi in Hanoi.

Party General Secretary Do Muoi welcomed Minister Asang Laoli's visit to Vietnam and hailed the agreement on cooperation signed by the interior ministries of the two countries, thereby enhancing the special relationship and comprehensive cooperation between the two parties, states, and peoples.

Comrade Do Muoi said that the maintenance of security is very important because it will ensure success in the implementation of the renovation in the two countries. He expressed the hope that the interior ministries of the two countries will continue to exchange experiences, expand cooperation, and develop the Vietnamese-Lao traditional fraternal relations.

Vo Van Kiet Receives Rangoon Mayoral Delegates

BK1608100095 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Aug 95

[FBIS Translated Text] Prime Minister Vo Van Kiet cordially received a Burmese delegation led by Rangoon City Mayor U Ko Lay, who is currently on a visit to Vietnam at the invitation of the Hanoi People's Committee chairman, at the Government Office on 8 August.

U Ko Lay asserted that the visit will serve as a firm base for expanding cooperation in various areas between the cities of Hanoi and Rangoon, thereby contributing to the promotion of friendship and cooperation between the two nations.

Vo Van Kiet said that the Vietnamese Government supports efforts to expand cooperation on mutual interests, including the exchange of experiences in building and managing city work. He expressed the hope that the Rangoon City delegation's visit will open up a new era of bilateral cooperation in this regard.

People's Security Force Marks 50th Anniversary

BK1708141495 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 Aug 95

[Report by Quang Huong]

[FBIS Translated Excerpt] Dear Friends: The Central Committee of the Communist Party of Vietnam [CPV], the National Assembly Standing Committee, the Government, and the Central Committee of the Vietnam National Front held a solemn ceremony this morning to mark the 50th founding anniversary of the People's Security Force [PSF] at the Vietso Cultural Palace in Hanoi.

The anniversary was attended by Comrade Do Muoi, general secretary of the CPV Central Committee; State President Le Duc Anh; Prime Minister Vo Van Kiet; National Assembly Chairman Nong Duc Manh; Party Advisers Nguyen Van Linh and Vo Chi Cong; and many other leaders of the party, state, Armed Forces, Interior Ministry, state organs, and mass organizations in Hanoi. The ceremony was also attended by five PSF heroic units and five PSF heroes, more than 70 PSF exemplary units, and more than 600 Hanoi residents from all walks of life. In particular, a high-ranking delegation of the Interior Ministry of the Lao People's Democratic Republic, led by Interior Minister Asang Laoli, attended the ceremony.

All delegates watched an opera on 50 years of the PSF's public service before the ceremony started. The opera performers excellently brought up historic scenes of fighting and development, with numerous victories and sacrifices by PSF heroes and soldiers over different national revolution periods.

After the opera, the ceremony began with Interior Minister Bui Thien Ngo's speech. He stated that, in all of our revolutionary stages, the PSF—together with the Armed Forces and the people—have smashed all conspiracies and the sabotaging activities of all reactionary forces in order to firmly protect our border and islands and to maintain security and social stability. The PSF has added more glorious pages to the history of the Vietnamese people. Its achievements are due to the party's correct, direct, and comprehensive leadership and to the prompt attention and education provided by our beloved Uncle Ho.

Uncle Ho's teachings on the absolute revolutionary spirit, on standpoints on the workers' class, public service, and national characteristics, have created power for the PSF to fully dedicate its efforts for the entire party and people's revolutionary undertaking for national independence and socialism. Bui Thien Ngo added:

[Begin Bui Thien Ngo recording] In the past 50 years, the people have always supported the PSF with enthusiasm and with high sense of community responsibility awareness. The PSF fully understands that the fighting to protect national security and social order is the undertaking of the entire people. The PSF also profoundly comprehends beloved Uncle Ho's teachings that our PSF is the people's force to serve the people and to rely on the people for its work. All units of the PSF have exploited the people's strength and relied on the public to complete its duties, as that has been vividly manifested during various historical stages by various public movements for social order maintenance, the protection of national secrets, and security protection. The great people's strength not only helps the PSF to fight enemies, but it also helps the PSF to prevent crimes, eliminate social evils, educate the public to participate in building a peaceful life at grassroots, and deal with causes for criminal offenses.

The past 50 years has been 50 years of building and development for the PSF in close coordination with all sectors, mass organizations, and other forces, and especially of coordination with the Armed Forces. By developing its key and active role, by cooperating with other forces and applying all flexible measures, the PSF has created a combined strength for victory in its work for national security protection and social order and safety. [end recording]

Speaking at the anniversary, Prime Minister Vo Van Kiet affirmed that the PSF has always been the reliable force for the party, state, and people in its duty to protect national security and social order and safety. Referring to the PSF's current duties, Prime Minister Vo Van Kiet added:

[Begin Vo Van Kiet recording] Our entire party and people are striving to accelerate the renovation undertaking and to proceed with national industrialization and modernization. We are scoring great achievements in these undertakings. However, hostile forces still plan to sabotage our national construction and socialist regime. We still have criminals disturbing our people's peaceful life and business. Therefore, in serving the national construction, we must pay attention to firmly protect our political structure and revolutionary achievements.

The PSF plays a very important role in executing this vital political duty. Particularly at present, the people are striving to practice thrift for national construction. The PSF must accelerate its fight against economic crimes such as smuggling, embezzlement of state property, and illegal business practices. The PSF must also actively motivate all people to conduct their life and work within the bounds of the law, build and maintain national order and discipline, and prevent and fight against all actions that are in contempt of the law.

First, however, PSF cadres and soldiers must set up good examples in observing the law. The PSF must not only directly frustrate all criminal conspiracies and actions, but it must work with other sectors, echelons, and mass organizations to find ways to prevent and eliminate causes for criminal offenses. [end recording]

In order to satisfactorily carry out its duties, the prime minister held that the PSF must be firm in ideology, absolutely loyal to the party and state, and diligent in studying and executing the six clauses taught by Uncle Ho. The PSF political consciousness must be manifested in the profound comprehension of the party and state's line and policy, and the PSF must master its professional work, strictly observe the law and regulations, and become models at work and in personal lifestyles. [passage omitted]

Bank Governor Outlines ASEAN Banking Ties

BK1808054695 Hanoi VIETNAM INVESTMENT REVIEW in English 24-30 Jul 95 p 4

[Interview with Cao Sy Kiem, governor general of the State Bank of Vietnam, by VIETNAM ECONOMIC TIMES correspondent Nam Binh; place and date not given]

[FBIS Transcribed Text] **How would you describe the general outline of the banking co-operation between Vietnam and ASEAN countries so far?**

ASEAN has not established any financial or credit organisation of its own, so the cooperation in banking among member countries has been mainly based on bilateral terms. Central banks from ASEAN countries have worked together to enhance trade and settlement relations between members through sharing information and experience between their respective offices.

However, ASEAN countries are members of the IMF (International Monetary Fund) and the World Bank (WB). Some of these ASEAN banks have organised conferences to discuss issues of development of the world economy and IMF and WB's policies as well as on the financial and monetary policies of ASEAN members. Previously, Vietnam attended many of these conferences as an observer. But once the country becomes an official member, the Governor General of the State Bank of Vietnam will become an official delegate to these conferences.

What are the obstacles to fostering bilateral relations between the State Bank of Vietnam (SBV) and ASEAN's central banks? And how can the SBV overcome these obstacles?

There are some differences between the banking system of Vietnam and that of ASEAN countries, concerning the operational as well as the managerial mechanisms. To enhance future co-operation, the State Bank of Vietnam has been vigorously renovating its operational mechanism and instrument of monetary policy. At the same time, the network of Vietnamese commercial banks is also undergoing modernisation in order to further facilitate their transactions with international and ASEAN's banks.

I firmly believe that when Vietnam becomes an official member of ASEAN, the banking relationship between Vietnam and ASEAN countries will definitely be strengthened and further developed in a vigorous manner.

Does this mean increasing the operations of some joint venture banks and branches of ASEAN banks in Vietnam?

Yes. At present, ASEAN countries have three joint venture banks with Vietnam's State-run commercial banks: Indovina (a joint venture between the Bank of Commerce and Industry of Vietnam and the Dagang National Bank of Indonesia), VID Public (a joint venture between the Bank of Investment and Development and the Public Bank of Malaysia), Vinasiam (a joint venture between the Bank of Agriculture and the Siam Commercial Bank of Thailand). Some other banks of ASEAN countries have opened their branches in Vietnam, like Bangkok Bank and the Thai Military Bank. Others like May Bank of Malaysia and Union Overseas Bank of Singapore have just been licensed to soon open their branches here. In the years to come when the economic relations, particularly with direct investment, develops vigorously, there will be more ASEAN banks opening their branches in Vietnam.

Have large Vietnamese banks ever thought about opening their branches in ASEAN countries to support Vietnamese businesses in those countries?

This is quite a necessary demand with definite potential. It would also help a commercial bank of Vietnam reach higher levels of development. Some large commercial banks of Vietnam are thinking about opening representative offices in ASEAN countries, but not their branches yet because of their financial standing and the competitive banking communities in those countries.

Capital and assets of Vietnamese commercial banks are at present still small, so they will meet with difficulties once they compete with the banks from those countries. But like Vietnam's economy, our commercial banks will rapidly grow and eventually expand their operations to the regional countries.

VNA Reviews Agriculture Progress

BK1808084695 Hanoi VNA in English 0545 GMT 18 Aug 95

[FBIS Transcribed Text] Hanoi VNA August 17 — In what is being hailed as a historical landmark in the Doi Moi (renovation) process, agricultural development has become a leading sector. From a rice importer, Vietnam has become the third largest rice exporter, after Thailand and the United States, in the world since 1989, just three years after the Doi Moi policy began.

With the rise of paddy yield per hectare reaching 3.5 tonnes from the 1945 figure of 1.7 tonnes in a single crop, last year Vietnam obtained a record rice output of 26 million tonnes compared with 4.9 million tonnes in 1945, the year that witnessed the country's independence from colonial rule. The rice output increase has helped to ensure food security for its 70-million strong population, making Vietnam self-sufficient in food in recent years. This is of paramount importance for Vietnam, a country where over 85 percent of national population have been earning their livelihood on agriculture. For a couple of years now, Vietnam has exported its annual rice surplus of about two million tonnes.

Before the August revolution, whose anniversary is celebrated August 19, marking Vietnam's wresting back independence half a century ago, almost all cultivated land was at the hand of foreign rulers and their installed local administration who deprived the Vietnamese farmers of all they harvested from their rice fields. Such exploitation, together with untold consequences caused by the break-down of the northern dyke system in 1945, resulted in a terrible famine that claimed more than two million deaths in the north in the very year of independence.

Shortly after the government of the people was formed, the late President Ho Chi Minh signed a decree to set up the Ministry of Agriculture (November 1945) and called on the entire people to exert every effort to fight 'hunger,' 'illiteracy' and 'foreign invaders.' In the 1945-54 period, agricultural production was boosted to meet the urgent demand for food for the anti-French resistance war that drew in the majority of the population at that time.

After emerging from the anti-French war, lasting for nine years in the north, Vietnam issued a policy on tax reduction and land allotment which led to the return of over one million hectares of arable land to more than 2.1 million peasant households, including about 8 million farmers. In the three-year plan of economic restoration and development in the north from 1958 to 1960, rice output was on a constant rise, chalking up 5.2 million tonnes in 1959, higher than the total national output of the independence year.

Since the national reunification in 1976, one year after the south's liberation from the foreign domination, Vietnam's agriculture has been strongly developed on a national scope. Priority has been given to the agricultural sector which, as specified in the government's policy, has always been in the forefront of the national socio-economic development.

A new era was opened in the wake of the Doi Moi policy initiated by the Communist Party at its sixth National Congress in 1986 and in the agricultural sector, relevant resolution released by the party Politburo later was considered a follow-up policy of the Doi Moi. Millions of peasants across the country have been encouraged to work hard on their allotted rice fields and pool more investment in agricultural production in efforts to yield higher paddy outputs. As a result, rice growing acreage has expanded to more than 6.5 million hectares and the national paddy output is expected to reach 27 million tonnes this year.

In addition to cultivation, livestock breeding has also been promoted with a three-fold increase in cattle population over 1945. Last year, Vietnam's pig population was more than 15 million, providing over one million tonnes of pork for the people.

Regarding industrial crops development, a variety of plants have been grown on large regions such as rubber, coffee and tea to meet the growing demand of the domestic and foreign markets. In 1945, Vietnam had 10,700 ha [hectares] of coffee, 3,700 ha of tea, 1,800 ha of cotton, 2,000 ha of sugar cane and 100,000 ha of rubber. As of now, its areas under industrial crops have risen remarkably with 140,000 ha of coffee, 80,000 ha of tea, 20,000 ha of cotton,140,000 ha of sugar cane and 250,000 ha of rubber.

In agriculture, the Mekong river delta has remained the largest rice producer known as the 'rice basket' of Vietnam with a paddy output accounting for two-thirds of the national rice yield every year. In 1994, the delta produced over 13 million tonnes of rice, about 9 million tonnes more than 1975, the year that saw the south's liberation.

Apart from application of modern technology and training of agricultural workers in this sector in which 271 doctors and associate doctors and 11,000 agricultural engineers are working, cooperation and investment areas have been widely promoted. As of now, more than

70 foreign-invested projects capitalized at USD 540 million have been undertaken in agriculture.

Lately, the Ministry of Agriculture and Food Industry has made public 38 more projects to call for foreign investment worth about USD one billion in this sector. The new projects focus on food production, rubber, coffee, sugar and tea growing and processing.

In its strategy for agricultural development, the ministry plans to raise the food output to about 38 million tonnes by the year 2000 at the request of the growing population and the demand for exports by the turn of this century.

General Suggests Measures on 'Village Bullies'

952E0093A Hanoi DAI DOAN KET in Vietnamese 12 Jul 95 pp 1, 6

[Article by Huu Nguyen: "An Hour With Senior General Tran Van Tra: How To Eradicate the New Village Bullies in Rural Areas"]

[FBIS Translated Text] In recent years there have been numerous incidents of the new village bullying in rural areas, which has displeased the peasants. Therefore, at times and in places there has occurred the phenomenon of many peasants joining together to go to the large cities to express their displeasure, as well as their desire for justice, to the higher leadership echelons. In some speeches at conferences, and in the press, Senior General Tran Van Tra has strongly condemned that evil in the rural areas. According to him, there must be comprehensive solutions to quickly end the new village bullying, which has resulted in many complaints in the rural areas and reduced the people's confidence in the government. The correspondent Huu Nguyen of the newspaper DAI DOAN KET recently interviewed Sen. Gen. Tran Van Tra on that topic for one hour. The general said:

"Perhaps it is not necessary for me to reiterate the situation of the new village bullying in rural areas during the past several years. The press has said a lot about that subject and the functional organs and leaders at the central level are well aware of it. What I want say to the newspaper DAI DOAN KET today in what can be done to quickly put an end to village bullying in the rural areas at present. In a broader sense, what I want to talk about is the peasants.

"The state's renovation line that is being implemented has attained good results. That has been acknowledged not only in our country but also in foreign countries. The lives of the people in both the cities and the rural areas have been improved. That result was due to our country's economy developing and our production increasing because of the correct policies. It may be said that at present our economy is solid and is gradually advancing thanks to two principal factors. The first is steadily increasing agricultural output. Especially important is the matter of grain: for the first time in history we have eliminated chronic hunger and are the third largest rice exporter in the world. That is a very great accomplishment of the renovation policy. However, the recent development of agriculture has been due to good policies, and has not received adequate investment by the state. In order to develop the latent capabilities of agriculture even more, the state must pay attention to investing much more science, technology, and manpower. The second factor is oil and gas, a rather strong source of foreign exchange income to help the state resolve many problems.

"I want to go more deeply into the sphere of agriculture, the rural areas, and the peasants. We are pursuing a policy of industrializing and modernizing the nation, but during the next few years we will still be an agricultural country and peasants will still be the majority (80 percent). The history of Vietnam's revolution has demonstrated that the peasants have always been an important force in all victories. Now we want to build a prosperous nation with a socialist orientation, which means that we are carrying out a socialist revolution. It we do not pay adequate attention to the peasant problem the revolution cannot succeed. At present, if the rights of the people are being violated, the majority of them are peasants. In the Mekong Delta, where our country's grain potential is concentrated, most of the peasants participated in the revolution over a long period of time and have always been loyal to the Party, but how about their lives, living conditions, and working conditions now? It must be said that both their material lives and morale are better but are still very difficult. Clean water, housing, schools, hospitals, etc., are still major problems, which have not been resolved in the delta. Then there are the evils of drinking, gambling, and prostitution, which are becoming more serious every day. That is especially true with regard to carousing. In the Mekong Delta, all-night carousing is commonplace not only among the peasants but even among the local leadership cadres. Drinking gives rise to many other evils. There is also much unemployment in the rural areas. In the past, peasants fled to the cities to avoid the bombing, but now they flee to cities to seek work. Most rural youths are poorly educated, so it is difficult for them to find work, and that gives rise to other evils.

"Against such a background, village bullying cannot be stopped. The state must pay adequate attention to comprehensively developing the rural areas, reduce the gap between the cities and the rural areas, and build additional new cities in the rural areas. With regard to the economy, we must industrialize on the basis of developing modern agriculture, tied in with mechanizing the rural areas, and have a plan to encourage industrial investment in the raw materials areas, process raw materials at the source, and provide jobs on the spot.

"In addition to economic development, it is necessary to pay attention to developing education and society. That is a major undertaking. Peasants must be provided sufficient knowledge to participate in industrializing the nation, because they themselves are the primary objective of industrialization. In speaking of industrialization and modernization, one cannot but speak of the rural areas and the peasants. If the people are highly educated and society is wholesome, the problem of bullies and tyrants in the rural areas certainly could not exist. When the peasants' material lives and morale are improved, and they are no longer unjustly oppressed by the new village bullies, political stability will be a certainty. Therefore, to pay adequate attention to the peasant problem today is to create conditions for political stability, in order to develop solidly. Thus resolving the peasant problem is also eradicating the new village bullying in the rural areas."

I asked the general, "To eradicate the new village bullying in the rural areas at present, by your method of resolving 'the peasant problem,' will take a long time. Therefore, between now and then what can be done to limit the abuse of power of that evil, and how can the peasants struggle more effectively against the village bullies?"

"That's right. First of all, the party and government cadres at the local level must be sufficiently educated and must have the qualities of revolutionaries. To speak of emphasizing the basic level is to emphasize that matter. The basic-level cadres must be enabled to know for whom they are working. Then the basic administrative apparatus must be organized rationally and effectively to avoid troubling the people. At the same time, the state and government at all levels must quickly meet the legitimate requirements of the people. I've heard that the people complain a great deal that they send complaints to many echelons but receive no response.

"A solution that I believe is rather fundamental and is related to the Fatherland Front at the basic level is the model of alliance between the Peasants' Association and the Veterans' Association. That method stresses consolidating the activities of the two associations at the basic level, the population centers. However, I don't know if the Peasants' Association can bring the peasants into its activities. The members of the Veterans' Association, who are experienced in struggle and have knowledge of law and politics, will be of much assistance to the peasants in repulsing the new village bullies. I think that even at the basic level, if the Peasants' Association can rally its forces and protect the rights of the peasants, there will seldom be instances of peasants gathering together to go to the cities to demand their rights, as has happened recently. That method will create conditions for unifying the forces in the rural areas into an organization that will create strength for helping one another make a living and prosper, and to defend the rights of the members, while also avoiding abuse by bad people who want to exploit the peasant forces. When the peasants combine to form an enlightened struggle force, with the leadership of the Party, they can struggle against the bad and repulse the village bullies and tyrants, correct improper actions on the spot, create a stable situation, and enable the peasants to have more confidence in the leadership of the Party and the government."

"The newspaper DAI DOAN KET would like to sincerely thank you, general."

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